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MEETING

STATE OF CALIFORNIA

INTEGRATED WASTE MANAGEMENT BOARD

STRATEGIC POLICY DEVELOPMENT COMMITTEE

JOE SERNA JR., CAL/EPA HEADQUARTERS BUILDING

1001 I STREET

COASTAL HEARING ROOM

SACRAMENTO, CALIFORNIA

WEDNESDAY, FEBRUARY 18, 2009

9:40 A.M.

JAMES F. PETERS, CSR, RPR
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PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

APPEARANCES

COMMITTEE MEMBERS

Ms. Margo Reid Brown, Chairperson

Ms. Sheila Kuehl

Mr. John Laird

Ms. Carole Migden

Ms. Rosalie Mul

Mr. Gary Petersen

STAFF

Mr. Mark Leary, Executive Director

Mr. Elliot Block, Chief Counsel

Ms. Rubia Packard, Chief Deputy Director

Mr. Chris Allen, Manager, Information Management Branch

Mr. Fernando Berton, Manager, Research & Applied
Technology Branch

Mr. Keith Cambridge, Supervisor, Tire Hauler Compliance
Section

Ms. Tracey Cottingim, Administrative Assistant

Ms. Sally French

Mr. Bob Fujii, Supervisor, Science & Tire Engineering
Section

Ms. Kristen Garner, Executive Assistant

Mr. Jeff Hunts, Manager, Electronic Waste Recycling
Program

Mr. Howard Levenson, Director, Sustainability Program

Mr. Wes Mindermann, Supervisor, Solid Waste Tire Cleanup
Programs

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APPEARANCES CONTINUED

STAFF

Mr. Ted Rauh, Director, Waste Compliance & Mitigation
Program

Ms. Lorraine Van Kekerix, Chief, Compliance Evaluation &
Enforcement Division

Ms. Emily Wang

ALSO PRESENT

Mr. David Arrieta, Western States Petroleum Association

Mr. Michael Blumenthal, Rubber Manufacturers Association

Mr. John Cupps, Los Angeles County Sanitation Districts,
San Luis Obispo Integrated Waste Management Authority

Ms. Virginia Herold, California Board of Pharmacy

Mr. Terry Leveille, TL & Associates

Mr. Mark Murray, Californians Against Waste

Mr. Scott Parker, National Oil Recyclers Association

Mr. Mark Phariss, Safety-Kleen

Mr. Robert Sulnick, Evergreen Oil

Mr. Kelvin Yamada, California Department of Public Health

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1 PROCEEDINGS

2 CHAIRPERSON BROWN: Good morning. Since we have
3 a very full agenda this morning, we decided to start our
4 usual Strategic Policy Committee a little early to give us
5 ample time. And so I'd like to welcome you all to the
6 February Strategic Policy Development Committee. There
7 are agendas in the back of the room.

8 And I'd like to remind all those who are going to
9 be speaking to please turn your cell phone to the vibrate
10 mode.

11 Kristen, can you call the roll.

12 EXECUTIVE ASSISTANT GARNER: Kuehl?

13 COMMITTEE MEMBER KUEHL: Here.

14 EXECUTIVE ASSISTANT GARNER: Laird?

15 COMMITTEE MEMBER LAIRD: Here.

16 EXECUTIVE ASSISTANT GARNER: Migden?

17 COMMITTEE MEMBER MIGDEN: Here.

18 EXECUTIVE ASSISTANT GARNER: Mulé?

19 COMMITTEE MEMBER MULÉ: Here.

20 EXECUTIVE ASSISTANT GARNER: Petersen?

21 COMMITTEE MEMBER PETERSEN: Here.

22 EXECUTIVE ASSISTANT GARNER: Brown?

23 CHAIRPERSON BROWN: Here?

24 And I'll remind you, if you do intend to speak on
25 any of the items, there are speaker slips in the back of

1 the room; if you could please fill them out and bring them
2 to Kristen.

3 Any members have any ex partes to report?

4 COMMITTEE MEMBER PETERSEN: Yes, Madam Chair. I
5 talked to Terry Leveille about tire recycling.

6 CHAIRPERSON BROWN: Okay. Any others?

7 Okay. And with that, we will move to our agenda.

8 And the first item, Committee Item B, Board Item 9.

9 And, Howard, you're going to go first?

10 SUSTAINABILITY PROGRAM DIRECTOR LEVENSON: Yes.

11 CHAIRPERSON BROWN: Okay.

12 SUSTAINABILITY PROGRAM DIRECTOR LEVENSON: With
13 your indulgence, I'd like to provide a little bit of a
14 Program Director's report first.

15 CHAIRPERSON BROWN: Sure. That's great.

16 SUSTAINABILITY PROGRAM DIRECTOR LEVENSON: Thank
17 you.

18 (Laughter.)

19 CHAIRPERSON BROWN: Don't usually do that at this
20 Committee. But I think we missed you the other day, so
21 we'd love to hear from you.

22 SUSTAINABILITY PROGRAM DIRECTOR LEVENSON: Thank
23 you, Madam Chair.

24 And good morning, members. I'm Howard Levenson
25 with the Sustainability Program.

1 I wanted to give you two updates. One is on
2 implementation of SB 1016, which is the legislation passed
3 last year to simplify the AB 939 measurement system and
4 place more emphasis on program implementation.

5 Last month, we finished a series of workshops on
6 1016 guidance that we've been having since November. And
7 we culminated that with a presentation at the League of
8 Cities' Environmental Policy Committee meeting, and then a
9 statewide workshop that was here at the building and
10 broadcast on line. And we had 50 people in the building.
11 And we don't know how many we had on line. So it's been
12 very successful. And now we're conducting similar
13 workshops for state agencies.

14 The next step in implementing SB 1016 is to have
15 local jurisdictions submit their annual reports. The 2007
16 annual report is due March 15th and the 2008 annual report
17 will be do August 1st. And these submittal dates will
18 finally bring us in sync with the actual statutory
19 deadlines. So already I think SB 1016 is allowing us to
20 do things in a more timely manner.

21 For the annual report preparation, we've
22 simplified the annual report and updated it and sent
23 directions to our official contacts in late January. And
24 this included calculations of their per capita 50 percent
25 equivalent targets and their actual per capita disposal

1 rates.

2 Just yesterday we had a training session for
3 local jurisdictions on the annual report. We had 130
4 jurisdictions that were logged in and listening or here in
5 attendance. And I want to just express my thanks to
6 Marshall Graham and Jennifer Caldwell for putting that
7 on.

8 So the word is out on 1016.

9 The other item that we wanted to update you on is
10 a quick progress report on the -- or results from the
11 E-waste workshop that we had, a stakeholders' meeting on
12 January 28th. And I asked Jeff Hunts to put together a
13 little bit of a summary of what was happening at that
14 workshop, what you can expect in the future.

15 ELECTRONIC WASTE RECYCLING PROGRAM MANAGER HUNTS:

16 Thank you, Howard.

17 Good morning, Madam Chair, Committee members. My
18 name is Jeff Hunts. I'm the Program Manager of the Waste
19 Board's Electronic Waste Recycling Program. I'd like to
20 provide a quick recap of the recent stakeholder meeting we
21 hosted this year on January 26th. The purpose of that
22 event was to review a range of existing regulatory
23 requirements in the program and to look ahead at possible
24 refinements to the program. The event was well attended,
25 both in person and the simultaneous web audio broadcast.

1 As you know, California's Covered Electronic
2 Waste Recycling Program is a payment system. It's funded
3 through a fee paid by consumers at the time of retail sale
4 of covered devices. And it's intended to encourage the
5 proper recovery in recycling of electronic waste. In its
6 first four years of operation, the program has fostered
7 the recovery and recycling of well over 500 million pounds
8 of unwanted televisions and computer monitors.

9 While the payment system itself is primarily
10 managed by the Waste Board, the program was built on a
11 foundation of material handling rules that are
12 administered by other regulatory authorities. Because of
13 this, we invited representatives from the Department of
14 Toxic Substances Control (DTSC) and the U.S. EPA to
15 participate in the forum. DTSC regulates the physical
16 handling of hazardous waste in California, of which
17 electronic waste is a subset that is allowed to be managed
18 as universal waste, so long as it is appropriately
19 recycled.

20 DTSC recently secured approval of a revised set
21 of universal waste rules that combine three separate
22 regulations into one package. At the forum, DTSC provided
23 an overview of those new rules and addressed compliance
24 challenges that are far too common amongst E-waste
25 handlers.

1 The U.S. EPA also regulates certain aspects of
2 electronic waste management in the state, specifically the
3 export of cathode ray tube, or CRT, glass that is derived
4 from the processing of old televisions and computer
5 monitors. CRT glass typically contains high levels of
6 lead. And all CRT glass generated in California
7 eventually leaves the state to become feedstock to an
8 industrial process. That's either to make new CRTs or to
9 be used as a smelter flex. And most of it eventually
10 leaves the country.

11 The U.S. EPA representatives at the forum
12 provided a summary of notification and consent rules that
13 currently affect the export of CRT glass.

14 Waste Board staff used the forum to remind
15 payment system participants of documentation, record
16 keeping and payment claim requirements. And we also
17 facilitated an open discussion exploring ways of
18 strengthening the program's fiscal integrity, while at the
19 same time aiming to improve the efficiency of operations.

20 Program enhancements discussed at the forum
21 included clarification of the rules and responsibilities
22 between collectors and recyclers, creating more
23 transparency on the compliance record of system
24 participants and the development of electronic record
25 keeping.

1 Suggestions will be further vetted and refined
2 through staff analysis and additional workshops in the
3 coming months, and may be incorporated into revised
4 regulations through rule-making later this year or early
5 next.

6 On the immediate horizon for the program is the
7 annual net cost report exercise, wherein all participants
8 report to the Board their costs for managing covered
9 electronic waste. That data feeds into biennial payment
10 rate calculations, as many of the members remember this
11 last year -- or last year. And the reports are next due
12 on or before March 1st of this year.

13 With that, I'll pass it back to Howard.

14 SUSTAINABILITY PROGRAM DIRECTOR LEVENSON:

15 Thanks, Jeff.

16 And I do want to note that --

17 CHAIRPERSON BROWN: Howard?

18 SUSTAINABILITY PROGRAM DIRECTOR LEVENSON: Oh,
19 yes. I'm sorry.

20 CHAIRPERSON BROWN: Before we move on, I think
21 Member Kuehl has a question for Jeff.

22 COMMITTEE MEMBER KUEHL: Just about the -- I
23 didn't hear, I don't think, in the report any indication
24 of whether there'll be a capacity problem because of all
25 the analog TVs being tossed.

1 ELECTRONIC WASTE RECYCLING PROGRAM MANAGER HUNTS:

2 That's an outstanding question. And while none
3 of us have the crystal ball to see how many TVs will be
4 tossed, I think it's safe to say that California does not
5 face a capacity problem with regard to its ability to
6 process recovered material. In fact, we're probably
7 overbuilt in terms of the ability to recover and process
8 that material.

9 CHAIRPERSON BROWN: And for the benefit of the
10 members who weren't here during the discussion last
11 summer, our anticipation of the influx of additional TVs
12 and products, we did seek additional expenditure
13 authority. Since it is a payment program, we wanted to
14 ensure that we had adequate -- or sufficient funds in the
15 fund for payment of the influx of what we anticipated
16 would come into the system because of the turnover. So
17 Jeff and his team and Howard and everybody really looked
18 at what the possibilities were for the increase in
19 discarded TVs. Although you made a very compelling
20 argument about how the converter box really made the TV
21 not obsolete and they didn't have to just throw them away.

22 COMMITTEE MEMBER KUEHL: Right. But I think a
23 lot of people are not understanding that as well.

24 CHAIRPERSON BROWN: Oh, they're not.

25 COMMITTEE MEMBER KUEHL: But when they -- but if

1 they get rid of their analog TV, it means they probably
2 are purchasing something else, which also, you know,
3 brings money into the system.

4 CHAIRPERSON BROWN: It does. And some initial
5 numbers up to -- do you have some initial numbers up to
6 the end of the year as far as payments or what were seen?

7 ELECTRONIC WASTE RECYCLING PROGRAM MANAGER HUNTS:

8 Well, the program up through the middle of last
9 year realized a quarter-to-quarter growth averaging about
10 four million additional pounds of covered electronic waste
11 coming into the system. We experienced a flattening of
12 that growth the middle of last year. And whether that was
13 that we picked all the low-hanging fruit or impended
14 economic issues, it's hard to say.

15 As you pointed out, Madam Chair, we did calculate
16 the revenue needs for the program in the near future,
17 based on the historical growth trends and in anticipation
18 of the increase of volume of material possibly coming in
19 from the analog to digital switchover. Because of that
20 softening of growth, from the fiscal standpoint, the
21 program is well set to handle whatever the bump is
22 resulting from the analog to digital changeover.

23 CHAIRPERSON BROWN: Thank you.

24 Do you have anything else to add?

25 SUSTAINABILITY PROGRAM DIRECTOR LEVENSON: I just

1 want to add -- oh, I'm sorry.

2 Member Migden.

3 COMMITTEE MEMBER MIGDEN: How much is TVs and
4 everything else? I know we're talking about televisions.
5 What about computers and typically everything else.

6 I'm sorry. You were talking about television
7 sets. I'm wondering what else is inclusive and how we're
8 doing on other goals.

9 ELECTRONIC WASTE RECYCLING PROGRAM MANAGER HUNTS:

10 Well, electronic waste in general in California
11 is considered a hazardous waste. It's allowed to be
12 managed as universal waste. It can't go into -- it's not
13 supposed to go into landfill disposal. The Covered
14 Electronic Waste Program addresses monitors and
15 televisions, video display devices. We know that along
16 with that, E-waste handlers in California recover a
17 similar quantity of miscellaneous E-waste - the computers,
18 the cell phones, printers, peripherals. That material is
19 not currently in the payment system. There's discussion
20 and questions about how best to pay for the recovery of
21 that material. Sizable amounts are recovered along with
22 the 500 million pounds of covered waste, the televisions
23 and monitors that were recovered.

24 I apologize if I didn't understand your question.

25 COMMITTEE MEMBER MIGDEN: No, no. You're giving

1 me a range of what the program's purpose is and then
2 you're talking about possible expansion or other
3 incentives.

4 ELECTRONIC WASTE RECYCLING PROGRAM MANAGER HUNTS:

5 Yeah, the program itself is established in
6 statute, the scope of the program, covered electronic
7 waste being video display devices. We would need
8 legislative changes if there was to be any expansion in
9 the scope of products covered by --

10 COMMITTEE MEMBER MIGDEN: Well, ought there be?

11 ELECTRONIC WASTE RECYCLING PROGRAM MANAGER HUNTS:

12 I'm going to reserve --

13 CHAIRPERSON BROWN: The question is for the
14 Legislature.

15 There have been several bills over the last few
16 years.

17 Howard, you're up.

18 SUSTAINABILITY PROGRAM DIRECTOR LEVENSON:

19 Thanks, Madam Chair.

20 And I just want to thank Jeff and his staff. You
21 know, most of our resources are devoted to processing
22 claims and getting the payments out. And we have the same
23 amount of resources that we've had when the program
24 started, even though volumes have continued to shoot up.
25 So it's made it hard to keep up with the load. And the

1 furloughs are not going to help. And we're going to do
2 our best to get those claims processed as quickly as we
3 can and move on to these other issues.

4 So that concludes our Director's Report. Thank
5 you for letting me do this.

6 This microphone, is this cutting in and out?

7 CHAIRPERSON BROWN: No, you're fine.

8 COMMITTEE MEMBER PETERSEN: You sound fine,
9 Howard.

10 SUSTAINABILITY PROGRAM DIRECTOR LEVENSON: Thank
11 you.

12 CHAIRPERSON BROWN: And I apologize. I forgot
13 that this is twofold with market.

14 So thank you.

15 SUSTAINABILITY PROGRAM DIRECTOR LEVENSON: Okay.

16 CHAIRPERSON BROWN: Okay. Then we'll go --
17 unless we have any questions from any members.

18 Okay. We'll move next to Committee Item B,
19 Discussion of the Draft Biennial Update of our Five-Year
20 Tire Plan.

21 And are you going to set the stage, Howard,
22 and --

23 SUSTAINABILITY PROGRAM DIRECTOR LEVENSON: Yes,
24 ma'am.

25 CHAIRPERSON BROWN: You can each introduce each

1 other as you go forward.

2 (Thereupon an overhead presentation was
3 Presented as follows.)

4 SUSTAINABILITY PROGRAM DIRECTOR LEVENSON: Yes.

5 As you know, we have a lengthy presentation,
6 which I think is commensurate with the amount of monies
7 that are involved in this program and the need for the
8 Board to adopt a new five-year tire plan edition by the
9 end of this fiscal year.

10 So our intent today is to walk you through the
11 program, what the various activities are in the program,
12 describe those, describe the various funding levels that
13 have occurred in the past and that we're proposing, and
14 then answer any questions you have and enable you to have
15 some discussions, so that next week at the Board meeting
16 you can provide us with any additional directions or
17 changes that you want us to incorporate into the plan
18 before we bring it back for your consideration.

19 I think it's important to provide some context
20 for this plan. As you all will recall, we had a couple of
21 disastrous tire fires back in the late nineties, the Tracy
22 and Westley tire fires. And as a result, the Board -- I
23 mean, the Legislature expanded the Board's
24 responsibilities related to tires by passing SB 876 in the
25 year 2000.

1 And under that framework passed by the
2 Legislature, the Board has a very wide ranging set of
3 programmatic activities that are designed to clean up tire
4 piles, provide rigorous enforcement of tire facilities and
5 for tire haulers, and to stimulate markets to convert
6 waste tires into useful products.

7 The Board itself further emphasized tires and the
8 importance of them in adopting its strategic directives
9 last year. We have a specific subdirective that refers to
10 tire diversion and, of course, other directives that refer
11 to enforcement.

12 Now, statute requires that the Board adopt a
13 five-year plan to expend the tire recycling funds and that
14 we have to revise the plan every two years. The last
15 revision was adopted in May of 2007, so we're due for this
16 next edition.

17 So as I said, today's item is designed to
18 introduce the various elements and activities. Hopefully,
19 we'll get your direction today, and more so at the Board
20 meeting, on how to modify the draft. And then we'll come
21 back to you in May for final consideration and adoption.

22 Currently, the Board has expenditure authority of
23 about \$35 million for activities related to enforcement,
24 cleanup, the manifest system, and market development and
25 research.

1 At the same time, as you know, we have a reserve
2 of over \$40 million, for which we do not have expenditure
3 authority. In 2007, the Legislature required the Board to
4 provide recommendations on how to use these funds, and the
5 Board adopted the required report last year in May, May of
6 2008.

7 The report's recommendations focused on
8 increasing markets for high-end products and providing
9 grants, loans and other assistance to businesses and local
10 jurisdictions. Now, some of these recommendations,
11 totaling an additional \$8.6 million in expenditure
12 authority, are included in the Governor's proposed budget
13 for fiscal year '09-'10, and so they're reflected in the
14 draft plan. This makes the total proposed expenditure
15 authority for fiscal year '09-'10, about \$43 million.

16 So this proposed plan summarizes major
17 accomplishments, provides a broad strategic overview of
18 the Board's enforcement and market development activities,
19 and specifies proposed future expenditures.

20 Our overall strategy in the plan is really
21 focused on these two interrelated fronts. We see
22 enforcement and market development as being very
23 intertwined. We are striving to have and implement a
24 strong and fair regulatory framework that protects public
25 health and safety, but doesn't impede the development of

1 the markets.

2 And then our other big strategy, of course, is to
3 expand the business and government infrastructure for both
4 manufacturing and using tire-derived products.

5 --o0o--

6 SUSTAINABILITY PROGRAM DIRECTOR LEVENSON: As I
7 mentioned, we have Board strategic directives and goals
8 that encompass a number of goals, in addition to those
9 that were in SB 876. Strategic Directive 3.4 calls for
10 increasing tire diversion to 90 percent from 2015 - and
11 I'll show you a chart in a minute of where we are - and
12 also to ensure that 100 percent of our tire facilities are
13 in compliance or under compliance orders.

14 Some of the complementary goals that you'll see
15 in the plan, that are related to this, are to eliminate
16 all identified illegal piles by next year, and then to
17 reduce the number of tires that are generated per person
18 substantially in the next several years.

19 --o0o--

20 SUSTAINABILITY PROGRAM DIRECTOR LEVENSON: Our
21 current status for tires in California is that we have
22 over 44 million tires -- waste tires that are generated
23 each year. About three-fourths of these are diverted.
24 But that means that roughly 11 million are landfilled,
25 most of those in Azusa, but a few other places as well.

1 The diversion rate is climbing a few points at a
2 time. We are seeing a more diverse array of end-uses.
3 And, of course, we are seeing, and the Board has been very
4 involved in this, a lot more rigorous enforcement and
5 working through with the Legal Office and Ted's shop in
6 Waste Compliance and Mitigation.

7 So we're seeing fewer facilities out of
8 compliance and many fewer large illegal piles being found.

9 --o0o--

10 SUSTAINABILITY PROGRAM DIRECTOR LEVENSON: This
11 just shows -- if you look at the line that has the
12 triangles, it shows the diversion rate for the last -- for
13 2004, 5, and 6. It's gone up from about 71 percent to 74
14 percent. We do not have information yet for the 2007 and
15 2008. We are right in the midst of doing a combined study
16 to get information for those years. We'll have that back
17 in March. So we'll be able to report that to you and
18 include it in the report in the May version that we ask
19 you to consider.

20 It's still a long ways to go.

21 --o0o--

22 SUSTAINABILITY PROGRAM DIRECTOR LEVENSON: This
23 is just a quick chart to show the various uses -- there's
24 a lot of acronyms on there. But you'll see that the pink
25 pie slice, 25 percent or so, is disposal. The others are

1 just -- there's a wide variety of uses including ADC,
2 which is alternative daily cover; TDF, which is
3 tire-derived fuel - that's the use of fuels in cement
4 kilns and the like; TDA, tire-derived aggregate - that's
5 the materials that are chipped and used in things like
6 highway construction projects; and, of course, RAC,
7 recycled asphalt concrete. So there's a number of
8 different end-uses.

9 --o0o--

10 SUSTAINABILITY PROGRAM DIRECTOR LEVENSON: And
11 not to read this. But this just gives you a list of the
12 many, many kinds of products that can be made and used in
13 a variety of applications - transportation, civil
14 engineering, and the like. And we'd be happy to provide
15 more information on those as needed.

16 --o0o--

17 SUSTAINABILITY PROGRAM DIRECTOR LEVENSON: This
18 is just a quick overview. There's a more detailed chart
19 in the plan itself. But the point here is that the tire
20 industry is very complex. There are many, many different
21 kinds of players that we either regulate or have to
22 provide assistance to. And then there are others that are
23 sort of part of the system, but we don't really deal with
24 on a direct basis.

25 So the activities that my colleagues at the table

1 here are going to describe to you today are designed to
2 address different parts of this system. But they -- the
3 system, the parts interact. What you do in one area is
4 going to have an impact in another area. So that's
5 something we're very cognizant of.

6 Tracy, can you help me go back two, please.

7 Okay. Thanks.

8 --o0o--

9 SUSTAINABILITY PROGRAM DIRECTOR LEVENSON: I'm
10 going to turn it over now to Ted. He's going to just
11 provide a very quick overview of waste compliance. Then
12 I'll do the same for sustainability. And then we will
13 launch into a more detailed presentation by folks here on
14 the various activities.

15 WASTE COMPLIANCE & MITIGATION PROGRAM DIRECTOR
16 RAUH: Yes. Good morning, Board members. I'm Ted Rauh,
17 Program Director for our Compliance and Mitigation
18 Program.

19 And as Howard has said, you're going to hear a
20 very detailed discussion of a lot of the programs that
21 make up the compliance area. This slide is really just
22 intended to put in context what we do within that program.
23 We are trying to create a level playing field for
24 industry, along the lines of one that is safe and
25 environmentally protective. Certainly, we're trying to

1 prevent tires from leaking out of that system, either
2 because they're not being handled appropriately, they're
3 not manifested, or, in fact, they're ending up along the
4 roadside or in other environmentally sensitive areas. And
5 that brings us to cleaning up the mess, which is the third
6 leg of the stool.

7 There are a couple of things I wanted to mention
8 just quickly that we are doing. This last two years we
9 have conducted over 21,000 inspections as a result of our
10 efforts and our partner efforts. We've seen a growth in
11 our partnership with local LEAs. And we're hoping that
12 this next grant cycle will see that attain even a higher
13 level, perhaps reaching as close as 90 percent of the
14 state being covered by LEAs.

15 Through that effort, we are definitely bringing
16 more pressure to bear on those people who are not
17 performing in accordance with the standards and
18 requirements of the program. We've had several very
19 successful major enforcement efforts this past year. One
20 including a compliance order that caused a substantial
21 improvement in the management of a major tire facility in
22 the state. That was proven when a fire occurred at that
23 facility. And based on the changes brought about by that
24 compliance order, it was very quickly put out and perhaps
25 a major fire incident was avoided.

1 We've also taken action to take people out of the
2 marketplace who can't perform according to the standards
3 and operate effectively in a level playing field. And
4 those activities will continue as we move forward.

5 One of the ways we're cleaning up sites is
6 through enforcement orders. And while those won't be in
7 the statistics you see, that is also a very significant
8 way that tires are taken out of an illegal setting.

9 One of the areas that I did want to mention in
10 the permitting program that we have worked on this year,
11 and we'll continue to do so, is to look at each facility
12 as they come forward to us to determine what the total
13 capability of that facility is with respect to storage,
14 whether it be waste tires themselves or the various
15 product stages as they move through the process.

16 As you know, most of those product stages are
17 under our regulations. And we're trying to look at each
18 facility with the most flexibility to enable the facility
19 operator to move with the marketplace, within the confines
20 of our fire standards and storage requirements and the
21 CEQA limitations on the site. And that is a significant
22 change and moving us, I think, in a direction that was
23 discussed earlier this year with industry representatives.

24 CHAIRPERSON BROWN: Can you give us an example
25 of, just for the benefit of the new members, what kinds of

1 things you're talking about.

2 WASTE COMPLIANCE & MITIGATION PROGRAM DIRECTOR

3 RAUH: Yes. Basically, if we just considered the slide,
4 the total site boundary of a facility. In the past, our
5 permits have tended to just say, how many waste tires can
6 safely be piled within the physical limitations of the
7 site?

8 Now we're taking a look at, if you have fewer
9 tires, can you have more piles of chips or other materials
10 that are in that processing process, to make sure that the
11 site can be -- the maximum use of the site can be made
12 still within our standards.

13 CHAIRPERSON BROWN: Like processed bag material
14 that's ready to be shipped to a process -- finished
15 product. Bagged rubberized mulch, for instance.

16 WASTE COMPLIANCE & MITIGATION PROGRAM DIRECTOR

17 RAUH: Anything that's under our regulatory authority,
18 we're looking at within this flexible framework, because
19 there are different fire standards or storage standards
20 for different types of material. And we want to make sure
21 that our permits enable the operator of that facility to
22 maximize their flexibility, while still handling the tires
23 in a safe fashion.

24 CHAIRPERSON BROWN: Thank you.

25 WASTE COMPLIANCE & MITIGATION PROGRAM DIRECTOR

1 RAUH: And that basically -- because there's so much
2 detail in the individual presentations, I'm going to cut
3 my presentation short and turn it back.

4 SUSTAINABILITY PROGRAM DIRECTOR LEVENSON: Okay.
5 I have one more.

6 --o0o--

7 SUSTAINABILITY PROGRAM DIRECTOR LEVENSON: Before
8 we turn to the more detailed presentations, I just wanted
9 to do similarly for market development and research
10 aspects, just to indicate that, in general, our staff and
11 our contractor and the various businesses report that
12 trends are pretty steady or strong in areas, such as reuse
13 and retreads, crumb rubber products, and civil engineering
14 applications.

15 And it's the civil engineering applications that
16 some of the tire-derived aggregate on these large highway
17 repair projects, where the storage issue that Ted just
18 talked about, becomes very critical. A business will have
19 to supply a large amount of material for one project, so
20 they have to be able to accumulate that. And we run into
21 the issue of safe storage. And so that's where that
22 particular effort is so critical in coming to some
23 flexible but safe resolution.

24 I think, in general, the Board's approach to
25 market development and research has been a combination of

1 research on new technologies and uses, such as the civil
2 engineering applications for various highway
3 applications -- or highway repairs. We have another set
4 of activities that you'll hear about that are grants and
5 contracts, mostly to local governments. But those are
6 designed to increase procurement and end-use of things
7 like recycled asphalt concrete, or RAC, and are various
8 tire-derived products that there are many different kinds.
9 And then we provide assistance to individual businesses.

10 And before we get into more details, I wanted to
11 mention that there have been some observers who've
12 contended that the Board continues to subsidize selected
13 segments of the market at the expense of others. This is
14 something that we've heard in the past. I'm sure we'll
15 probably hear it today. They've pointed out that some of
16 our grant dollars go to end-uses that may be more
17 expensive than other end-uses on a dollar-per-ton basis
18 and that there may be impacts on those other parts in the
19 marketplace.

20 They've also pointed out that some end-uses, like
21 some of our tire-derived products, simply don't use large
22 amounts of tires, in the millions of tires.

23 I think the Board has certainly recognized this
24 issue in the past and really contended that the -- or
25 directed staff to use this approach in order to develop a

1 rich variety of end-uses and applications. The Board
2 itself has recognized that eventually subsidies need to be
3 phased out. And you've even directed us to do that. For
4 example, on the RAC program, we've shifted to more of an
5 emphasis on first time users and providing lower subsidies
6 to people who've had greater experience with RAC.

7 And so we will continue to bring those kinds of
8 ideas to you. But I did want to just point out that
9 that's sort of an underlying philosophical issue that we
10 always have to contend with in looking at the tire fund.

11 Now we're going to turn it over to Sally French,
12 who's going to give you just a little bit more information
13 on the budget issues. And then we will have presentations
14 that are reflective of the five elements that statute
15 requires us to include in the plan.

16 MS. FRENCH: Good morning. I'm Sally French from
17 the Statewide Technical and Analytical Resources Division.

18 In addition to our annual spending authority, we
19 received an additional 8.6 million this year with 4.3 new
20 positions.

21 --o0o--

22 MS. FRENCH: These funds are for a new equipment
23 loan program, additional funding for our TDP Grant
24 Program, expanding our RAC program for cooperative
25 projects, and expanding our public outreach and education.

1 These funds have been incorporated into the plan
2 and are subject to approval by the Legislature and
3 Governor.

4 If approved, our annual spending authority will
5 be 43.2 million for the first three years and 35.1 million
6 the next two years.

7 COMMITTEE MEMBER LAIRD: Madam Chair, could I ask
8 a quick question?

9 CHAIRPERSON BROWN: Sure.

10 COMMITTEE MEMBER LAIRD: There are also budget
11 figures later in your presentation. But there's been a
12 loan that's been made from this fund, right, to the
13 General Fund?

14 MS. FRENCH: That is correct.

15 COMMITTEE MEMBER LAIRD: It's not mentioned
16 anywhere in this report. And my question is, is there
17 some time that some of the activities that are put forward
18 here are going to be dependent on the repayment of that
19 loan in a way that that's a factor in some of these
20 issues?

21 MS. FRENCH: The loan was made from the reserve.
22 And we have money in the reserve for our spending
23 authority plus extra.

24 COMMITTEE MEMBER LAIRD: So basically we couldn't
25 do any extra until the loan is repaid? That's where --

1 MS. FRENCH: We would have to increase our
2 spending authority to tap into that. It was a \$17.1
3 million loan. It still has not been paid.

4 COMMITTEE MEMBER LAIRD: What I'm driving at is
5 we're going to just, in the abstract, have a discussion
6 here about whether we can afford to do all the things that
7 might be in the plan. Is the nonrepayment of the loan
8 going to affect our ability to do some of the things we're
9 going to talk about in this plan?

10 CHAIRPERSON BROWN: Let's have Mark answer that
11 question, because I think my superficial view is there is
12 a repayment schedule for the loan. And since it's an
13 extension of a previous loan, we're hoping that it comes
14 back in --

15 COMMITTEE MEMBER LAIRD: Well, no, I was going to
16 say they've not done very well -- they -- now, I can say
17 "they".

18 (Laughter.)

19 COMMITTEE MEMBER LAIRD: They have not done very
20 well on the previous repayment schedule. So --

21 CHAIRPERSON BROWN: Right, yeah.

22 EXECUTIVE DIRECTOR LEARY: There's probably a lot
23 you appreciate about saying, "they" --

24 CHAIRPERSON BROWN: This side.

25 COMMITTEE MEMBER LAIRD: Yeah, I got to have a

1 good night's sleep last night. I appreciated that too.

2 (Laughter.)

3 CHAIRPERSON BROWN: Nobody had to bring their
4 toothbrush today.

5 (Laughter.)

6 EXECUTIVE DIRECTOR LEARY: The simple answer to
7 your question is no. The nonrepayment of the loan is not
8 going to limit our activities through the duration of this
9 five-year tire plan. Now, if we were to decide we need to
10 expand greatly beyond our current expenditure authority,
11 then we may run into reserve issues, which would then
12 become dependent on repayment of that loan. But as far as
13 we project, for the purposes of this discussion, these
14 activities defined within this proposed five-year plan is
15 not dependent on the repayment of the loan. We have
16 sufficient reserve.

17 COMMITTEE MEMBER LAIRD: I appreciate that very
18 much. I would just note that the thing that might force
19 their repayment is if we ever got to a point where it did
20 depend on that. And we should just keep that in mind
21 over time.

22 CHAIRPERSON BROWN: Well, and that's also -- that
23 is a consideration in other funds that we manage, that are
24 being repaid, because they are needed.

25 I will also note, because I see Terry Leveille

1 out there, that we did provide a draft report to the
2 Legislature for expenditure of the reserve. And I think
3 the industry and the manufacturers are looking at
4 expansion of the programs to meet our goals and to get a
5 more robust program. And that's what they'll be looking
6 for, the reserve and an expansion of programs in the
7 out-years.

8 So I think that -- there was a plan submitted to
9 the Legislature anticipating that the reserve would have
10 been paid back, and what we would do with that reserve in
11 order to further our goal.

12 Okay. So I'll let you go back. And we may come
13 back to further questions.

14 SUSTAINABILITY PROGRAM DIRECTOR LEVENSON: And,
15 Madam Chair, you're absolutely correct. That was the May
16 report that the Board adopted and then had a plan for
17 expending all of the funds in the reserve. Only 8.6
18 million of those are included in the current proposed
19 budget. So -- each year for three years.

20 CHAIRPERSON BROWN: Right.

21 MS. FRENCH: Okay. The five-year plan has five
22 program elements. The first is enforcement; the second is
23 the hauler and manifest; the third is the cleanup and
24 abatement; fourth is our research on disposal
25 alternatives; and fifth is the market development and new

1 technologies.

2 We're going to first go into the enforcement.

3 And we have Lorraine Van Kekerix from the Division Chief
4 of the Compliance, Evaluation and Enforcement Division.

5 --o0o--

6 COMPLIANCE EVALUATION & ENFORCEMENT DIVISION

7 CHIEF VAN KEKERIX: Good morning, Board members. I'm
8 going to be giving you the overview on the Enforcement
9 Program.

10 The efforts of the Board's Waste Tire Enforcement
11 Program are essential to ensure that the activities of
12 over 25,000 waste tire generators, over 1,100 waste tire
13 haulers, and over 250 waste tire end-use facilities are in
14 conformance with State laws and regulations.

15 The waste tire community has consistently
16 supported the need for a strong enforcement program to
17 ensure a level playing field.

18 The Waste Tire Enforcement Program also supports
19 waste tire diversion and recycling objectives by working
20 to minimize illegal dumping and ensuring that tires are
21 directed to legal and approved disposal and recycling
22 facilities.

23 Enforcement efforts of the Board are strongly
24 supported by participation of 42 local jurisdictions that
25 act as our enforcement partners and provide oversight for

1 over 80 percent of waste tire entities. The Board is also
2 assisted through contracts with the California Highway
3 Patrol, Air Resources Board, and California District
4 Attorneys' Association for security, surveillance, and
5 legal support services. Management of data generated in
6 the program on inspections and enforcement actions is
7 handled through our Database Management Services, provided
8 by our Information Technology Department and through
9 Contract Services.

10 --o0o--

11 COMPLIANCE EVALUATION & ENFORCEMENT DIVISION

12 CHIEF VAN KEKERIX: In the last 18 months, as our
13 enforcement efforts in the Waste Tire Program increased in
14 response to strategic directives, legal actions that are
15 processed through the administrative hearing process also
16 increased.

17 These administrative hearings are relatively
18 expensive and time consuming for Board -- both Board staff
19 and the violator.

20 In response, the Board approved and had staff
21 pilot a streamline penalty program in July of 2008. Under
22 this program, using Board-preapproved criteria, staff was
23 able to prosecute waste tire hauler and manifest
24 violations in a much more timely and cost-effective
25 manner.

1 In January, the Board approved making this
2 program permanent and expanded it to include prosecution
3 of select violations of cleanup and abatement orders and
4 cease and desist orders related to waste tire storage
5 requirements, such as failure to comply with storage fire
6 or vector requirements or operating without a waste tire
7 facility permit.

8 --o0o--

9 COMPLIANCE EVALUATION & ENFORCEMENT DIVISION

10 CHIEF VAN KEKERIX: As noted earlier, we work
11 cooperatively in partnerships. And I'll give you a little
12 more information on some of these.

13 --o0o--

14 COMPLIANCE EVALUATION & ENFORCEMENT DIVISION

15 CHIEF VAN KEKERIX: We have an agreement with California
16 Highway Patrol to provide surveillance, security,
17 training, roadside checks, and aerial support in locating
18 illegal tire disposal.

19 We have an agreement with the Air Resources Board
20 for camera surveillance support, to identify people that
21 are illegally dumping tires or not registered haulers.

22 We also have a contract to explore the use of
23 satellite imagery to locate and monitor tire piles.

24 And we do analysis of targeted study areas for
25 enforcement.

1 And we do training support for tire inspectors
2 and managers.

3 --o0o--

4 COMPLIANCE EVALUATION & ENFORCEMENT DIVISION

5 CHIEF VAN KEKERIX: This shows the proposed budget for the
6 Air Resources Board, California Highway Patrol, and
7 California District Attorneys' Association, among other
8 enforcement support activities.

9 --o0o--

10 COMPLIANCE EVALUATION & ENFORCEMENT DIVISION

11 CHIEF VAN KEKERIX: The California District Attorneys'
12 Association helps support rural jurisdictions on civil and
13 criminal cases, helps us deal with egregious cases, where
14 administrative penalties are unsuccessful, and also helps
15 with providing investigation training for both local
16 government and Board staff.

17 --o0o--

18 COMPLIANCE EVALUATION & ENFORCEMENT DIVISION

19 CHIEF VAN KEKERIX: The budget for the enforcement case
20 assistance is proposed at \$50,000 a year for each of the
21 fiscal years.

22 --o0o--

23 COMPLIANCE EVALUATION & ENFORCEMENT DIVISION

24 CHIEF VAN KEKERIX: The Board has consistently supported
25 local jurisdiction involvement in the Waste Tire

1 Enforcement Program. And we currently have 42
2 jurisdictions that cover 80 percent of the waste tire
3 entities.

4 --o0o--

5 COMPLIANCE EVALUATION & ENFORCEMENT DIVISION

6 CHIEF VAN KEKERIX: As set forth in legislation, if the
7 Board does elect to have local governments involved
8 through the grant program, we are required to provide
9 stable and adequate funding. To this end, the current
10 year budget of 6.75 million is proposed to be increased
11 over the years to allow adequate funds to increase
12 coverage of all waste tire entities from 80 percent and to
13 ensure adequate funds for program enhancements and, quote,
14 approved by the Board last year.

15 And these would include conditional lifting of
16 the cap for reimbursement for administrative overhead,
17 which many of the local governments requested; and
18 allowing the grantees the ability to clean up small tire
19 piles (under 500 tires) and be reimbursed for that
20 activity.

21 --o0o--

22 COMPLIANCE EVALUATION & ENFORCEMENT DIVISION

23 CHIEF VAN KEKERIX: In addition, we have a database. And
24 it's very important that we have the ability to compile
25 and analyze inspection and enforcement related data. We

1 work in close partnership with our Information Technology
2 Branch, and staff can track over 26,000 regulated tire
3 businesses, grantees, State inspections, and enforcement
4 cases; maintain the hauler registration and permit
5 information. And we also provide a portal for our
6 grantees to report and track and provide legal documents
7 that they are working on.

8 --oOo--

9 COMPLIANCE EVALUATION & ENFORCEMENT DIVISION

10 CHIEF VAN KEKERIX: The budget for database-related
11 activities is proposed at \$165,000 for each fiscal year in
12 the five-year report.

13 And that concludes my presentation on the
14 enforcement element of the Five-Year Tire Plan.

15 CHAIRPERSON BROWN: A quick question.

16 In the CDAA part, in their funding strip, it
17 went -- it got cut in half from the previous. Can you
18 explain why it went from a hundred thousand down to fifty?

19 WASTE COMPLIANCE & MITIGATION PROGRAM DIRECTOR

20 RAUH: What we are doing there is we're providing 50/50.
21 So 50 percent of it's coming from the Tire Program and
22 then another \$50,000 is coming out of the IWMA, which is
23 for --

24 CHAIRPERSON BROWN: Is that related to illegal
25 dumping, so that they can do the illegal dumping cleanup

1 as well?

2 WASTE COMPLIANCE & MITIGATION PROGRAM DIRECTOR

3 RAUH: Where there are tires specifically involved in the
4 case.

5 CHAIRPERSON BROWN: Okay.

6 COMPLIANCE EVALUATION & ENFORCEMENT DIVISION

7 CHIEF VAN KEKERIX: If it was limited to tire funding,
8 they wouldn't be able to help us on some of the cases
9 where tires aren't involved.

10 CHAIRPERSON BROWN: So the contract amount with
11 CDAA hasn't changed; just our funding stream has?

12 WASTE COMPLIANCE & MITIGATION PROGRAM DIRECTOR

13 RAUH: That's correct.

14 COMPLIANCE EVALUATION & ENFORCEMENT DIVISION

15 CHIEF VAN KEKERIX: Correct.

16 CHAIRPERSON BROWN: Okay. Follow-up question?

17 COMMITTEE MEMBER KUEHL: Can you comment on the
18 adequacy of the proposed expenditures for the database
19 costs? Because it looks very low to me.

20 COMPLIANCE EVALUATION & ENFORCEMENT DIVISION

21 CHIEF VAN KEKERIX: We had an extensive effort on changing
22 the Waste Tire Manifest System Database a couple of years
23 ago. And so what we are -- what we are looking at is that
24 we should be okay in terms of funding. We will need to
25 make some upgrades over time, but we're not anticipating a

1 major improvement being needed in that, over the term of
2 this next five-year tire plan. At some point in the
3 future, I'm sure that we'll need to get more for improving
4 the database and bringing it up to speed on the
5 technology.

6 COMMITTEE MEMBER KUEHL: Thank you.

7 CHAIRPERSON BROWN: See, all of a sudden new
8 questions come up.

9 Weren't we doing a pilot project to do the
10 hand-held manifesting? Were those getting stolen or --
11 whatever happened to that program where we were going to
12 give the haulers a hand-held so they could do on-line
13 realtime reporting?

14 TIRE HAULER COMPLIANCE SECTION SUPERVISOR

15 CAMBRIDGE: Right. Keith Cambridge, Tire Hauler
16 Compliance Section.

17 That program was handed over to IT, because they
18 had the expertise on that, last year. And I believe
19 they've started - I'm not quite sure what phase, but they
20 have solicited some information for I believe it was for
21 feasibility study and such.

22 CHAIRPERSON BROWN: Okay.

23 TIRE HAULER COMPLIANCE SECTION SUPERVISOR

24 CAMBRIDGE: And I believe Chris Allen's here that might be
25 able to answer that question.

1 CHAIRPERSON BROWN: Chris, you want to come up?

2 Just curiosity, because --

3 INFORMATION MANAGEMENT BRANCH MANAGER ALLEN:

4 Chris Allen with the Information Management

5 Branch.

6 CHAIRPERSON BROWN: You might have to go to the

7 microphone for our reporter.

8 INFORMATION MANAGEMENT BRANCH MANAGER ALLEN:

9 Chris Allen with the Information Management

10 Branch.

11 We postponed that because of the budget issues of

12 the last summer. And we just started with the contractor

13 this month. Starting to spin up the process to get that

14 started. We'll probably finish that project at the end of

15 the year, maybe some time early next year.

16 CHAIRPERSON BROWN: Okay. Because maybe we want

17 to take a look at the adequacy of the fund and make sure

18 that there's adequate funds to move that program along,

19 just as you start looking at this. Or ensure that there's

20 adequacy in our IT budget.

21 Gary.

22 COMMITTEE MEMBER PETERSEN: Madam Chair, thanks.

23 I'm done. I have just another question for

24 Lorraine.

25 Do we know -- because this has happened, and I

1 don't know if it's because of maybe the past economic or
2 the current economic situation we're in. Do we have any
3 traction or any information on the transshipping of tires
4 from here through Vietnam to China, which is illegal? Do
5 we know if that's still going on? I know, because they
6 were undercutting our system economically here in the
7 state by taking those tires out of the country. Do we
8 know?

9 TIRE HAULER COMPLIANCE SECTION SUPERVISOR

10 CAMBRIDGE: We have tracked some tires going to the ports.
11 Unfortunately, with the emphasis on the track -- or the
12 manifest only regulates up to the port. So once the tires
13 are then placed on the ship, where the destination
14 happens, we're not sure of.

15 We are aware of that some tires were going to
16 Vietnam to China. However, one of the businesses that was
17 involved in that is no longer really participating in that
18 program. So I believe it is curtailed somewhat.

19 COMMITTEE MEMBER PETERSEN: Is that because of
20 the economic reasons or are we just -- you were watching
21 it?

22 TIRE HAULER COMPLIANCE SECTION SUPERVISOR

23 CAMBRIDGE: No, enforcement reasons.

24 COMMITTEE MEMBER PETERSEN: Oh, very good. Okay.

25 WASTE COMPLIANCE & MITIGATION PROGRAM DIRECTOR

1 RAUH: If I may add to your question. One of the things
2 that we're discussing internally and will be coming to the
3 P&C Committee in a month soon - we may be back in March -
4 with a discussion of this and other items. But one of the
5 key things is, what can the manifest system do to be able
6 to identify tire movement throughout all the portals in
7 and out of the state? And obviously we have a limitation.
8 We can't require people who are moving tires outside the
9 state to specifically tell us where they're going.

10 But there may be some other things we can do.
11 And we're going to be coming back to you with suggestions
12 in that area.

13 COMMITTEE MEMBER PETERSEN: Maybe we could talk
14 to the tire manufacturers about installing chips in the
15 tires to track them.

16 SUSTAINABILITY PROGRAM DIRECTOR LEVENSON: Member
17 Petersen, I also want to note that we do know the tires
18 are going overseas to Asian markets, maybe funneling
19 through Vietnam to China. We do have a contract with R.W.
20 Beck. Ed Boisson, who is the contractor, is here. We
21 have asked him to look at the export issue to the extent
22 that they can. They have limited ability to get
23 information without putting themselves in a crate and
24 going over to China. But they will be providing what
25 information they can get in the next few months.

1 COMMITTEE MEMBER PETERSEN: Thank you, Howard.

2 Thank you, Ted.

3 CHAIRPERSON BROWN: Thank you, Howard.

4 Okay. Keith, I think you're up.

5 TIRE HAULER COMPLIANCE SECTION SUPERVISOR

6 CAMBRIDGE: I'm up.

7 Good morning, Board members. My name's Keith

8 Cambridge, Supervisor of the Tire Hauler Compliance

9 Section. Today I'll be presenting information on this
10 program as it relates to the five-year plan.

11 --o0o--

12 TIRE HAULER COMPLIANCE SECTION SUPERVISOR

13 CAMBRIDGE: The program receives more than 1,150

14 registered waste tire hauler applications annually, which

15 comprises of more than 6,500 tire-hauling vehicles. By

16 law, any person transporting ten or more waste or used

17 tires on a public road is required to be registered with

18 the Board unless exempted by statute.

19 We also require that they post a \$10,000 waste

20 tire surety bond.

21 --o0o--

22 TIRE HAULER COMPLIANCE SECTION SUPERVISOR

23 CAMBRIDGE: Program staff provides the necessary training

24 and educational materials to all the regulated community,

25 as well as attempting to provide training annually to the

1 Mexican haulers who conduct tire transactions in
2 California as they relate to the tire hauler and manifest
3 and regulations. This training is sometimes conducted
4 with the assistance of CalePA in the cities of Mexicali
5 and Tijuana, Mexico, as well as at the border crossings
6 into Mexico.

7 Staff also provides technical training support to
8 law enforcement, waste tire grantees, and other
9 governmental agencies when needed.

10 --o0o--

11 TIRE HAULER COMPLIANCE SECTION SUPERVISOR

12 CAMBRIDGE: The program is responsible for overseeing the
13 California Uniform Waste and Used Tire Manifest system as
14 well, which affects nearly 2,800 waste tire businesses.

15 More than 170,000 waste tire -- or comprehensive
16 trip log forms are mailed out to the haulers annually.
17 The CTL form is comprised of a three-individual-receipt
18 form that can be used for either pickup or deliveries.

19 On an average, more than 230,000 individual CTL
20 receipts are received by the Board each year. Once we
21 receive the receipts, the information is then key entered
22 into the Waste Tire Management System, or WTMS System.
23 Although the quantity of CTL forms appears to be large,
24 the creation of the CTL form in 2005 greatly reduced the
25 amount of paperwork, by 67 percent, that was originally

1 required by the old manifest system.

2 At the same time, staff has been continually
3 striving to place more haulers in, what we call, the
4 Electronic Data Transfer System. To date, about 20
5 companies are now submitting manifest information through
6 the EDT program. Approximately 51 percent of the total
7 manifest records are submitted electronically to the Board
8 rather than through the paper form.

9 In addition, the program maintains the WTMS
10 complaint system, where more than 1,800 complaints are
11 received annually from the regulated community and the
12 general public. Staff investigates these complaints and
13 takes the necessary enforcement action as deemed
14 necessary.

15 The program consists of one supervisor, four IWMS
16 positions, one part-time office tech, and eight student
17 assistants.

18 --o0o--

19 TIRE HAULER COMPLIANCE SECTION SUPERVISOR

20 CAMBRIDGE: Previous funding for this program was 450,000.
21 For the fiscal year 2009-10, it is being reduced to
22 325,000 to reflect activities performed in 2007-8 and
23 2008-9. For the remaining years, it's proposed from
24 2010-11 through '13-'14 to be at 450,000.

25 That concludes my presentation. Are there any

1 questions?

2 CHAIRPERSON BROWN: Doesn't appear to be.

3 Thank you.

4 Okay. Wes.

5 --oOo--

6 SOLID WASTE & TIRE CLEAN-UP PROGRAMS SUPERVISOR

7 MINDERMANN: Good morning, Madam Chair and members of the
8 Board. I'm Wes Mindermann from the Clean-up Program
9 Section. I'm here to discuss cleanup and abatement or, as
10 Ted refers to it, as cleaning up the mess, the third leg
11 of the stool.

12 I'd like to put it in a little bit of a context.
13 You may recall that in late 1990s and early 2000s
14 California was grappling with the impacts of waste tires,
15 not only as a significant and difficult to handle and
16 expensive part of the waste stream entering the disposal
17 system, but also from large stockpiles that had and were
18 continuing to develop throughout California.

19 As regulation and disposal, transport and storage
20 of waste tires increased, so did instances of improper
21 activities. This impacted not only the Board in terms of
22 how we bring these sites into compliance where enforcement
23 actions are taken and responsible parties are absent or
24 unwilling or unable to comply, but also impacted local
25 governments, tribes, and private property owners who are

1 experiencing the effects of the leakages in the system
2 through increased illegal dumping of waste tires.

3 In addition, we were just beginning to understand
4 the potential impacts from the stockpiling of significant
5 amounts of waste tires. The largest of these stockpiles,
6 consisting of millions of tires, were located in Westley
7 and Tracy. Both of these sites subsequently burned,
8 resulting in environmental impacts that this Board spent
9 over \$32 million over a period of six years to extinguish
10 the fire and remove over half a million tons of waste
11 tires and contaminated debris under what was then referred
12 to as the Board's long-term remediation program.

13 --o0o--

14 SOLID WASTE & TIRE CLEAN-UP PROGRAMS SUPERVISOR
15 MINDERMANN: The clean-up programs, as we have them now,
16 are authorized under Public Resources Code Section 42846,
17 which allows the Board to perform cleanup and remedial
18 work to protect public health and safety at waste tire
19 sites where responsible parties fail to take appropriate
20 action.

21 The clean-up programs essentially consist of five
22 basic elements: The short-term remediation projects,
23 local government waste tire clean-up grants, local
24 government waste tire amnesty event grants, an emergency
25 reserve account, and our Farm and Ranch and Solid Waste

1 Clean-Up and Abatement Grant Program.

2 The goal of these programs is simple, to abate
3 the effects of waste tire illegal dumping.

4 The mandates of the clean-up program are as
5 follows: Eliminate illegal waste tire stockpiles
6 throughout California, either directly or through grant
7 assistance, where responsible parties have failed to take
8 appropriate action; decrease illegal waste tire dumping by
9 assisting local governments through grant funds in
10 developing public education materials on proper
11 maintenance and disposal of automobile tires and promoting
12 waste tire amnesty events for the general public; assist
13 victims of illegal dumping on farm and ranch properties to
14 clean up waste tires and illegal dumping; and direct tires
15 from cleanup to productive end-use rather than landfill
16 disposal to the greatest extent possible with reasonable
17 cost parameters.

18 --o0o--

19 SOLID WASTE & TIRE CLEAN-UP PROGRAMS SUPERVISOR

20 MINDERMAN: The first element of the clean-up programs
21 is, what we call, the Short-Term Remediation Project.
22 This tire clean-up activity is the one that is most
23 closely aligned with our enforcement program, in that it
24 addresses illegal waste tire sites for which responsible
25 parties have failed to take appropriate action.

1 The performance measure for this program is to
2 complete the short-term remediations referred to us by the
3 enforcement program in a timely manner and report the
4 status of the projects to the Board on an annual basis.

5 Funds for the short-term remediations of illegal
6 disposal sites are put into, what we call, Waste
7 Board-managed contracts. These contracts are also used
8 under the Board's Solid Waste Disposal and Co-Disposal
9 Site Clean-up Program to clean up illegal dumping in that
10 program also.

11 The funds allocated to remediation efforts may
12 roll over from fiscal year to fiscal year.

13 As indicated in Table 5 of the plan, since 1995,
14 the Board has, through both short- and long-term
15 remediation of illegal waste tire sites, removed more than
16 650,000 tons of illegal waste tires and contaminated
17 debris from 68 sites, at a total cost of over \$40 million.

18 While the number of sites remediated each year
19 has generally decreased since 1999, the cost of cleanup
20 has varied significantly, depending on the number of large
21 and/or complex projects undertaken in any given year.

22 For example, enforcement actions against the
23 largest known waste tire sites in Sonoma County resulted
24 in negotiated settlements with cleanups. And we are
25 currently working on the last two of those stockpile sites

1 that have been identified for short-term remediation.

2 Having said that, we also see an increase in
3 steady work in mixed waste tire sites. That is, those
4 sites that may contain over 500 waste tires along with
5 significant amounts of other waste.

6 We are also using the short-term remediation
7 program to clean up tire-related activities near the
8 U.S.-Mexico border, with the Tijuana River Valley Trash
9 and Sediment Working Group, where large quantities of
10 trash, tires, and sediment are transported by stormwater
11 from Mexico into the Tijuana River Valley and estuary,
12 adversely impacting the Border Field State Park and
13 Tijuana River National Estuarine Reserve -- Research
14 Reserve. I'm sorry.

15 --o0o--

16 SOLID WASTE & TIRE CLEAN-UP PROGRAMS SUPERVISOR
17 MINDERMAN: Vigorous waste tire enforcement, pursuant to
18 the Board's strategic directive, minimizes the chances of
19 new large illegal waste tire sites developing and going
20 unaddressed. Recognizing this, the cost for long-term
21 remediation, as part of the five-year plan's clean-up and
22 remediation element, have been reduced and are expected to
23 continue to be positively impacted in the future years.
24 As you can see here, the activity funding gradually ramps
25 down from \$1 million in fiscal year 2009-10 to \$300,000 in

1 fiscal year 2013 and '14.

2 --o0o--

3 SOLID WASTE & TIRE CLEAN-UP PROGRAMS SUPERVISOR

4 MINDERMAN: The second and third elements of the clean-up
5 programs are the Local Government Waste Tire Cleanup and
6 Amnesty Event Programs. Now, keep in mind, these are two
7 separate grant programs. But we manage them essentially
8 as one program, and I thought it would be beneficial to
9 discuss them together as one program.

10 The purpose of the Waste Tire Cleanup Program is
11 the removal, transportation, and recycling and disposal of
12 waste tires from illegal tire piles that have occurred on
13 public right-of-ways.

14 --o0o--

15 SOLID WASTE & TIRE CLEAN-UP PROGRAMS SUPERVISOR

16 MINDERMAN: For the period of fiscal years 2005-6 to
17 2008-9, demand for the program has averaged approximately
18 \$800,000 per fiscal year.

19 In terms of performance measures for this program
20 under the plan, we are proposing increasing the number of
21 sites remediated by five percent annually through 2012.

22 The Amnesty Event Program grants are designed to
23 help divert waste tires from landfill disposal and prevent
24 illegal tire dumping, by allowing private citizens to take
25 waste tires in noncommercial quantities to a specific

1 location established by the local government administering
2 the grant.

3 For the period from fiscal year 2005-6 to 2008-9,
4 demand for the program has averaged approximately \$940,000
5 per fiscal year. The performance measure for this program
6 is increasing the number of amnesty tire grants to local
7 governments by five percent annually through fiscal
8 year -- or through 2012.

9 Under both of these competitive grant programs,
10 eligible grantees are local governments, including
11 enforcement agencies, county and city departments, special
12 districts, code enforcement agencies, irrigation
13 districts, and qualifying indian tribes.

14 --o0o--

15 SOLID WASTE & TIRE CLEAN-UP PROGRAMS SUPERVISOR
16 MINDERMAN: With respect to funding, you can see here
17 that we're proposing a steady funding of a million dollars
18 per fiscal year for the Cleanup Grant Program through
19 2013-14. We are proposing an increase in the Amnesty
20 Grant Program, ramping up from a million dollars in
21 2009-10 to \$1.2 million in 2013 and '14.

22 --o0o--

23 SOLID WASTE & TIRE CLEAN-UP PROGRAMS SUPERVISOR
24 MINDERMAN: As part of the cleanup program, the Board is
25 also required to maintain an emergency reserve account in

1 an amount not to exceed \$1 million. As indicated, these
2 funds are to be used for emergencies involving waste
3 tires; for example, waste tire fires. This emergency
4 reserve account is subject to change, depending on the
5 need for emergencies that may arise. The Waste Board is
6 required to maintain not more than a million dollars in
7 this account, but more than a million dollars may be
8 expended on a yearly basis. If allocated funds are not
9 expended, the funds can be carried forward to the
10 following fiscal year.

11 And as you can see on the previous slide there,
12 the proposed funding for the emergency account was at \$1
13 million through fiscal year 2013 and '14.

14 --o0o--

15 SOLID WASTE & TIRE CLEAN-UP PROGRAMS SUPERVISOR
16 MINDERMAN: And the last element of the cleanup programs
17 is the Farm and Ranch Solid Waste Cleanup and Abatement
18 Grant Program. This provides assistance to illegal -- or
19 to private property owners who are victims of illegal
20 dumping in rural areas on farm and ranch properties.

21 This one-million-dollar-per-year program derives
22 its funding from three basic sources: The Integrated
23 Waste Management Account, the Used Oil Recycling Fund, and
24 \$400,000 from the Tire Recycling Management Fund, which
25 are required to be used for remediations associated with

1 waste tires.

2 Other non-tire cleanup costs are paid for using
3 the other grant funding sources.

4 In addition to its usual cleanup grants, the
5 Waste Board recently used this program to implement the
6 cleanup initiatives near the U.S.-Mexico border with the
7 Imperial County New River Collaborative. You may recall
8 that 64 mixed-tire and solid-waste sites were identified
9 in Imperial County near the New River, as a result of
10 increased surveillance by the California Highway Patrol
11 under a contract under the tire program. As a result, a
12 number of these sites, which were on farm and ranch
13 properties, an innovative master agreement pilot program
14 was implemented with the LEA under this program to provide
15 assistance to clean up 13 of the sites.

16 --o0o--

17 SOLID WASTE & TIRE CLEAN-UP PROGRAMS SUPERVISOR
18 MINDERMAN: Our performance measure with this program is
19 to increase the grants awarded by ten percent annually
20 through 2012. As you can see here, activity funding is
21 proposed to be steady at \$400,000 per fiscal year through
22 fiscal year 2013-14.

23 And that concludes my presentation on the cleanup
24 activities. Are there any questions?

25 CHAIRPERSON BROWN: Member Kuehl.

1 COMMITTEE MEMBER KUEHL: Just on your last point.

2 How do you reconcile increasing the number of
3 sites remediated by ten percent per year with a flat
4 budget?

5 SOLID WASTE & TIRE CLEAN-UP PROGRAMS SUPERVISOR

6 MINDERMANN: Well, keep in mind, that this is a flat
7 budget with respect to the tire fund. That program has
8 historically been under-utilized. So we have -- although
9 we say it's a million-dollar-per-year program and we
10 funded for a million dollars under the proposed budget, we
11 would anticipate that that increase would be absorbed
12 through the other funding sources.

13 COMMITTEE MEMBER KUEHL: Okay. Thank you.

14 CHAIRPERSON BROWN: Thank you.

15 Any other questions?

16 Okay. Back to Sally.

17 MS. FRENCH: Yes.

18 Okay. The research element is to provide
19 research to promote diversion alternatives. Our research
20 goals are to assess potentials to divert waste tires from
21 landfills, determine whether alternatives can provide
22 benefits, and determine if it is cost effective.

23 --o0o--

24 MS. FRENCH: We have four research activities in
25 the five-year plan: The first one is civil engineering

1 applications; the second is highway construction
2 applications; the third is minimum energy efficiency
3 standards for replacement tires analysis; and the fourth
4 is our second phase of the artificial turf study.

5 --o0o--

6 MS. FRENCH: Our first is civil engineering
7 applications, which is going to continue our investigation
8 of tire-derived aggregate in civil engineering
9 applications. This would include contracting with TDA
10 experts to research new TDA applications, partnering with
11 state and local governments and universities to
12 research -- on research to evaluate TDA performance, and
13 provide assistance to modify design standards to
14 accommodate TDA use.

15 --o0o--

16 MS. FRENCH: The funding is consistent with the
17 previous plan of 500,000 per fiscal year.

18 --o0o--

19 MS. FRENCH: Our next is also a continuation
20 project, our highway construction applications, which is
21 investigating uses of waste tires in various highway
22 paving applications. This includes contracting with
23 experts to research new highway paving applications using
24 waste tires, partnering with California universities and
25 colleges and State and local governments to conduct

1 research to evaluate performance.

2 --o0o--

3 MS. FRENCH: Again, the funding is consistent
4 with the previous plan, where we have 500,000 every other
5 fiscal year.

6 --o0o--

7 MS. FRENCH: Next, we have a new activity, which
8 is the minimum energy efficient standards for replacement
9 tires. This agreement with the Energy Commission will
10 assist us in determining if it's technically feasible and
11 cost effective to set energy efficient standards for
12 replacement tires sold in California. The findings would
13 be presented in the fall of 2012.

14 --o0o--

15 MS. FRENCH: Funding for this activity is 150,000
16 each year for two years.

17 --o0o--

18 MS. FRENCH: And our last activity is our second
19 phase of our artificial turf study, which will continue
20 our efforts and will address environmental impacts.

21 --o0o--

22 MS. FRENCH: Funding for this activity is
23 \$200,000 in fiscal year 2010-11.

24 Do you have any questions?

25 --o0o--

1 CHAIRPERSON BROWN: Any questions regarding any
2 of these?

3 COMMITTEE MEMBER MULÉ: Actually, I do. Thank
4 you, Madam Chair.

5 On the civil engineering applications, I know
6 that we've been involved in a number of projects with
7 CalTrans. And also I know that there have been a number
8 of studies done throughout the United States.
9 Particularly, Minnesota has done a lot of research with
10 tire-derived aggregate. And so I'm just wondering if we
11 haven't compiled all this information and taken it to --
12 you know, how much research -- my question is, I guess,
13 how much research are we going to do until we actually
14 implement some projects?

15 MS. FRENCH: Bob.

16 SCIENCE & TIRE ENGINEERING SECTION SUPERVISOR
17 FUJII: A lot of the effort in here is ongoing research.
18 I mean, the application that we are currently using for
19 lightweight fill or behind retaining walls or is
20 lightweight fill in embankments is kind of an ongoing
21 effort. I mean -- so the research that we're going to be
22 supporting is actually projects that are already in place.
23 And that in terms of new research, it will be things that
24 we'll be working and partnering with CalTrans on, say, new
25 applications that would involve, say, earthquake dampening

1 against a bridge abutment on a freeway overpass, things of
2 that nature.

3 So I guess the answer to your question is we're
4 not looking to -- we are going to continue some of our
5 current efforts and we are looking into some new efforts.

6 COMMITTEE MEMBER MULÉ: Right. Well, we're
7 actually conducting the research in conjunction with these
8 pilot projects with actual work projects?

9 SCIENCE & TIRE ENGINEERING SECTION SUPERVISOR
10 FUJII: Right.

11 COMMITTEE MEMBER MULÉ: Okay. Thank you.

12 CHAIRPERSON BROWN: I think that the big question
13 is, what is the barrier to increased usage? And I think
14 we -- I think what Member Mulé is trying to say is: We've
15 done a lot of research. Is that the barrier because
16 there's not enough or is it application or is it
17 understanding?

18 SCIENCE & TIRE ENGINEERING SECTION SUPERVISOR
19 FUJII: I think a lot of the applications that we're
20 currently exploring have been done in other parts of the
21 country. And so now it's mostly education of the
22 engineers and developers, contractors here in California.

23 CHAIRPERSON BROWN: Okay. Great.

24 COMMITTEE MEMBER MULÉ: Well, because I've
25 recently had a discussion with Randy Iwasaki from

1 CalTrans. And they're very, very interested in continuing
2 to work with us and very interested in using TDA and other
3 tire-derived products. So perhaps we need to meet with
4 them again. Maybe we're not meeting with the right
5 people. But we all know that, you know, CalTrans is very
6 decentralized as an organization. So maybe if we meet
7 with --

8 (Laughter.)

9 COMMITTEE MEMBER MULÉ: -- maybe if we meet with
10 Randy -- start with Randy, and then perhaps he can get --
11 filter that information down to the district directors.

12 SCIENCE & TIRE ENGINEERING SECTION SUPERVISOR
13 FUJII: Right. I know we've done that in the past and it
14 did certainly pay off in some projects for us with
15 CalTrans. You're absolutely right. We go to various
16 jurisdictions of the state and we have a champion in that
17 particular state and then moves on, and then we seem like
18 we start all over again. So certainly it might not hurt
19 to start another dialogue with CalTrans to reinforce that
20 message.

21 COMMITTEE MEMBER MULÉ: Thank you.

22 SUSTAINABILITY PROGRAM DIRECTOR LEVENSON: If you
23 want to link that line of discussion to -- in the next
24 element under "Market Development," we do have a contract
25 that provides funding for specific projects. So we are --

1 as we get a project in line, the developers on line, it's
2 ready to roll with the local budgets and so on, we use our
3 contract to do a lot of the work in getting the tires to
4 the project. And then the research dollars that we're
5 talking about here are supplementing that. So we get
6 additional information when it's a new -- or a nuance on
7 an application. So I think continued work with CalTrans
8 is what we want to do.

9 COMMITTEE MEMBER MULÉ: Huge opportunity. Again,
10 my discussion with Randy Iwasaki was very productive. And
11 he wants to continue to work with us, because obviously
12 they would love to have us help them financially.

13 So thank you.

14 COMMITTEE MEMBER PETERSEN: Madam Chair, as a
15 follow-up -- may I?

16 Bob, one of the things that I guess we've all
17 been dealing with in this civil engineering side of this
18 is storage of materials, accessibility of those materials
19 when needed. Is it -- something we could do to take a
20 look at this in the future is figuring how to inventory
21 that material in a fire suppression building or something
22 and do it in conjunction with CalTrans and other
23 emergency, you know, type agencies that this stuff could
24 be held in inventory in a safe -- fire-safe-like
25 technology?

1 CHAIRPERSON BROWN: I think that Ted kind of
2 launched into an answer to that earlier on about how we're
3 trying to work with the industry and the manufacturer.

4 COMMITTEE MEMBER PETERSEN: Was I asleep?

5 CHAIRPERSON BROWN: I don't think so. I think I
6 was specifically asking about bagged mulch. But Ted
7 broadened the answer to include --

8 COMMITTEE MEMBER PETERSEN: -- a bigger bag.

9 CHAIRPERSON BROWN: -- a big bag, a big pile, how
10 we could look at piles so that we can. Because I know
11 that that has been a barrier on some of our projects,
12 being able to get enough material in a short amount of
13 time.

14 Ted, do you want to answer Member Petersen?

15 WASTE COMPLIANCE & MITIGATION PROGRAM DIRECTOR
16 RAUH: I would just say that, aside from what I described,
17 there's a working paper being developed through
18 Sustainability that we are jointly putting together that's
19 looking at a number of options for dealing with the issue
20 that you've raised. And that would be going out to
21 industry for their conversation.

22 And you might, Howard -- I think you have a
23 little more feel for the timing of that document.

24 SUSTAINABILITY PROGRAM DIRECTOR LEVENSON: That's
25 being worked on by Jim Lee. And we're hoping to have some

1 workshops sometime in the next couple of months. So we
2 are collaborating together on that.

3 The issue, though is, very germane to exactly
4 this -- like the highway construction projects, that we
5 work on under our contract that Bob will talk about in a
6 little -- or Sally will talk about a little later. But
7 where you have a need for a large amount of shreds or
8 chips for the project, the local contractor may not have a
9 place to store those. The processor may not have
10 sufficient permitted capacity. And so that's exactly the
11 issue that we're working together collaboratively on to
12 try and see if there's some flexibility in the regs where
13 you're still subject to all the applicable fire standards
14 and, you know, safety provisions. But you can store some
15 additional product on-site, so that it can be used --
16 saved up for when there's the pulse of that construction
17 activity.

18 COMMITTEE MEMBER PETERSEN: And when you look at
19 this, the potential for the amount of tonnage that we can
20 move through this kind of a system to eliminate the 11
21 million, we're still hearing could be significant.

22 SUSTAINABILITY PROGRAM DIRECTOR LEVENSON: Right.
23 And I think that speaks to this issue of storage; the
24 issue of education, as Bob mentioned in response to the
25 Chair, of convincing the contractors and the engineers

1 that this is a viable application. It's difficult. It's,
2 you know, one project at a time, and you get somebody to
3 buy on at the local level, and that's a suite of engineers
4 to understand it, and then we go on and try and do the
5 next project. So there are proven applications. But part
6 of it is continuing to broaden that umbrella of education.

7 COMMITTEE MEMBER PETERSEN: Okay. Thank you,
8 Howard. Thank you, Bob.

9 WASTE COMPLIANCE & MITIGATION PROGRAM DIRECTOR

10 RAUH: If I could just also save a faux pas here.
11 Actually, Jim Lee of my staff is putting this paper
12 together. So another one of those senior moments, I
13 guess.

14 (Laughter.)

15 CHAIRPERSON BROWN: Thank you, Ted. I have them
16 all the time.

17 Perfect segue back to Sally and markets.

18 MS. FRENCH: Okay. I'm going to turn our last
19 element over to our cleanup hitter, which is Bob Fujii,
20 which is our Supervisor for the Science and Tire
21 Engineering Section.

22 SCIENCE & TIRE ENGINEERING SECTION SUPERVISOR

23 FUJII: Thanks, Sally.

24 --o0o--

25 SCIENCE & TIRE ENGINEERING SECTION SUPERVISOR

1 FUJII: As Sally mentioned, Bob Fujii, Science and
2 Engineering Tire Section.

3 I'm going to go through the market development
4 elements, and there are quite a few of them.

5 Let me just do the mouse here.

6 And there are basically 13 elements. The first
7 slide shows the first five. I'm not going to read all of
8 them. I'm going to go through them briefly though for you
9 all. But this is the first five.

10 Just a second.

11 --o0o--

12 SCIENCE & TIRE ENGINEERING SECTION SUPERVISOR

13 FUJII: The next four.

14 --o0o--

15 SCIENCE & TIRE ENGINEERING SECTION SUPERVISOR

16 FUJII: And then the next four.

17 --o0o--

18 SCIENCE & TIRE ENGINEERING SECTION SUPERVISOR

19 FUJII: The first element I'm going to talk about is the
20 outreach campaign. And there are basically three
21 subcomponents of this element:

22 The Tire Sustainability Outreach component, which
23 focuses primarily on changing tire maintenance behaviors
24 of Californians. This effort will build on previous
25 campaigns utilizing partnerships with data agencies and

1 other organizations, stakeholder input, and a variety of
2 studies and information gained through prior research
3 efforts to meet behavioral change objectives.

4 The second element in this -- the second
5 subcomponent is the Tire Maintenance Outreach. And this
6 outreach would -- this effort would target
7 California-based trucking companies on the benefits of
8 retreading commercial trucks -- their commercial trucks.
9 And an outreach and education campaign will be implemented
10 to reach the hundreds of truck drivers and truck
11 enterprises as to the need of benefits and the benefits of
12 retreaded tires.

13 And then the last subcomponent is the Quiet Roads
14 Local Government Outreach component. And this will use
15 general public relation strategies to raise awareness of
16 the benefits of RAC in various projects -- highway
17 projects. And this campaign will also continue the
18 efforts to deliver recycled content materials -- content
19 materials messaging to targeted jurisdictions, local
20 assistance and market development staffs, so they can
21 continue providing outreach to local jurisdictions. And
22 this increased effort will be placed -- an increased
23 effort will be placed on general public education on the
24 benefits for using RAC in TDA and a stronger advocacy for
25 local jurisdiction use.

1 --o0o--

2 SCIENCE & TIRE ENGINEERING SECTION SUPERVISOR

3 FUJII: The funding for this element is 3.5 million for
4 the first three fiscal years of the plan, and then 1.5
5 million in the following two fiscal years. In the
6 previous plan, this effort was funded at 2.3 million for
7 '07-'08 and 1.8 million in '08-'09.

8 --o0o--

9 SCIENCE & TIRE ENGINEERING SECTION SUPERVISOR

10 FUJII: This next element is the element we were just kind
11 of --

12 CHAIRPERSON BROWN: Hey, Bob.

13 SCIENCE & TIRE ENGINEERING SECTION SUPERVISOR

14 FUJII: Yes.

15 CHAIRPERSON BROWN: Since we're on that slide on
16 the funding, can you just explain the differing numbers.
17 I mean to jump from 1.8 to 3.5 for three years and then
18 down, it's because of a contract allocation?

19 SCIENCE & TIRE ENGINEERING SECTION SUPERVISOR

20 FUJII: I'm not the best person equipped. I'm going to
21 defer to Sally or Jon Myers on that.

22 CHAIRPERSON BROWN: Just a little explanation.

23 MS. FRENCH: It's the two million, which is
24 pending the budget approval process. We received two
25 million each year for three fiscal years, which is

1 included in the 8.6 that we described earlier.

2 CHAIRPERSON BROWN: For?

3 MS. FRENCH: The outreach campaigns.

4 CHAIRPERSON BROWN: Which is the media and the --

5 MS. FRENCH: -- the education, yes. So we're
6 going to be expanding that with the two million that we
7 received.

8 CHAIRPERSON BROWN: Okay. Thank you.

9 MS. FRENCH: If we receive it.

10 SCIENCE & TIRE ENGINEERING SECTION SUPERVISOR

11 FUJII: Okay. This next element is kind of the topic we
12 were just talking about. This would continue the Board's
13 TDA efforts to promote the use of TDA. This will be
14 accomplished by promoting the -- accomplished by, as we
15 talked about, contracting with a consultant to implement
16 our TDA construction projects, and then partnering with
17 state and local governments to actually conduct pilot
18 studies or projects to evaluate the performance of TDA.
19 And to date, we've conducted approximately seven of these
20 different projects all over the state, ranging anywhere
21 from lightweight fill projects to vibration dampening
22 projects using light rail in the Bay Area and some
23 retaining wall projects in the southern part of the state.
24 So it's been relatively successful. It uses a
25 large quantity of tires and it's one of the uses that has

1 shown to save the stakeholders large amounts of funds when
2 they do use it.

3 --o0o--

4 SCIENCE & TIRE ENGINEERING SECTION SUPERVISOR

5 FUJII: Funding for this program is kind of all over the
6 board. But in '09-'10, it's scheduled for 3.25 million;
7 '10-'11, 1 million; '11-'12, 2.75 million; and 2012-13,
8 1.36 million and some change; and then also in 2013-14,
9 1.7 million and some change.

10 Previously, this effort was funded only in
11 2008-2009 for 750,000. We're anticipating a larger
12 increase in projects. And we'll be partnering with more
13 local governments to implement some of those projects.

14 --o0o--

15 SUSTAINABILITY PROGRAM DIRECTOR LEVENSON: Bob,
16 before you go on. On that funding slide, some of the up
17 and downs on that slide reflect our contracting process,
18 where we need to get a certain amount of monies into the
19 contract initially, and then we can follow it up with
20 augmentations. In general, those contracts are in the
21 three to five million dollar range and they go on for
22 multiple years. And so if we stagger the funding out
23 over, say, two or three fiscal years, the actual contract
24 can go for a longer amount of time.

25 CHAIRPERSON BROWN: Yeah, when it -- it's hard to

1 follow without the explanation on the funding strip of why
2 we're at such different levels.

3 So thank you.

4 SCIENCE & TIRE ENGINEERING SECTION SUPERVISOR

5 FUJII: Thanks, Howard.

6 All right. This next element is our RAC
7 Technology Centers. And our RAC Technology Centers have
8 provided statewide technical assistance to our local
9 government partners. And they have been historically
10 located in both northern and southern California, and they
11 provide direct consultation and presentation to local or
12 regional workshops.

13 It's changed a little bit for this next
14 coming -- and probably the next several years. L.A.
15 County has been the entity who's funded the southern
16 California center and Sac County has funded our
17 northern -- or supported our northern California center.

18 We've lost our champion, so to speak, in northern
19 California. So southern California will be probably
20 serving as our liaison for our peer-to-peer with local
21 governments to cover the entire state, at least in the
22 next several, years until we can find a new champion in
23 northern California.

24 --o0o--

25 CHAIRPERSON BROWN: Can you explain that?

1 SCIENCE & TIRE ENGINEERING SECTION SUPERVISOR

2 FUJII: Say again.

3 CHAIRPERSON BROWN: Why did we lose our northern
4 California?

5 SCIENCE & TIRE ENGINEERING SECTION SUPERVISOR

6 FUJII: Theron Roschen was our main contact, and he
7 basically went out to consulting and is no longer there.
8 And they haven't identified a new -- we haven't identified
9 a new champion there for Sac County yet.

10 CHAIRPERSON BROWN: And didn't we previously use
11 Chico State for some of our consulting? Are they -- have
12 we looked into -- because I know they have expertise.
13 Have we looked into their capabilities?

14 SCIENCE & TIRE ENGINEERING SECTION SUPERVISOR

15 FUJII: They currently do some of the technical support
16 for us. I'm going to be talking about that in another
17 program element. So that's another option for us to
18 provide technical support to local governments.

19 But for the peer-to-peer, doing the local
20 government to local government exchange, the tech centers
21 are still relatively effective. And Erik Updyke in
22 southern California does an excellent job.

23 CHAIRPERSON BROWN: Well, he does. And they
24 certainly have a greater utilization in southern
25 California. So I will safely assume that it will come up

1 north. But, you know, I would hate to lose the
2 opportunity on somebody close in northern California that
3 understands the differences between north and south and
4 erode the progress that we've made so far.

5 So I'd like to see at least a northern California
6 tech center explored before we --

7 SCIENCE & TIRE ENGINEERING SECTION SUPERVISOR

8 FUJII: Sure. And we're continuing to do that and looking
9 for outside even Sac County for other partners to help us
10 with that.

11 CHAIRPERSON BROWN: Yeah.

12 Okay. Thank you, Bob.

13 --o0o--

14 SCIENCE & TIRE ENGINEERING SECTION SUPERVISOR

15 FUJII: Funding for this effort is pretty consistent. It
16 hasn't changed really from our support that we provided in
17 previous five-year plans at \$100,000, and we'll continue
18 to do that in the next five-year plan.

19 --o0o--

20 SCIENCE & TIRE ENGINEERING SECTION SUPERVISOR

21 FUJII: A RAC Technical Assistance Contract. This is kind
22 of what you just talked about, Madam Chair. It's the
23 effort that we use to historically support our grantees
24 who are awarded grants through our RAC program and our
25 Chip Seal program. And they'll continue to do that.

1 They will provide another -- an additional
2 function this year, which would be to develop a
3 cooperative purchasing program to address obstacles with
4 some of the smaller rural jurisdictions who can't afford
5 or projects aren't large enough to participate in our
6 grant programs. And what this will be is a conglomeration
7 of a bunch of smaller jurisdictions to form a project that
8 would be large enough to then provide a cost-effective
9 project size to enable them to participate in using RAC.
10 And so that's something they will be assisting us with in
11 this next fiscal year -- or in the next years to come.

12 --o0o--

13 SCIENCE & TIRE ENGINEERING SECTION SUPERVISOR
14 FUJII: Funding for this effort is slated at 1.325 million
15 for the first three fiscal years and a half a million for
16 the following two fiscal years. And in the previous
17 five-year plan, it was funded at a half a million for
18 '07-'08 and '08-'09.

19 --o0o--

20 SCIENCE & TIRE ENGINEERING SECTION SUPERVISOR
21 FUJII: This next element is our RAC Grant Program that is
22 a continuation of programs that we supported in past
23 five-year plans. We will continue to do so in the future
24 five-year plan. It has basically two grant programs - a
25 targeted RAC Grant Program and a RAC Reward Grant Program.

1 The main difference being the targeted program is
2 aimed at our local government partners who have not had
3 much experience with using RAC. And so they are given a
4 little bit larger grant to support that effort.

5 And then our RAC Reward Program is basically for
6 our ongoing RAC users, who are a little more experienced
7 and don't need as much support, and so they are supported
8 at a lower level.

9 This program's really been combined into a
10 grant -- one grant program, as you've already seen in a
11 grant criteria I know was presented to you back in August.
12 And we're going to continue to support both of these
13 programs in the next plan.

14 --o0o--

15 SCIENCE & TIRE ENGINEERING SECTION SUPERVISOR

16 FUJII: Proposed funding for these grant programs is 3.75
17 million in '08 -- '09-'010; 3.5 million and some change
18 for '10-'11; and then 3.5 million for the following three
19 fiscal years.

20 In previous fiscal years -- the previous version
21 of the plan, the program was supported in '07-'08 by 6.5
22 million and then 4.7 million in '08-'09. So you can see
23 there's a slight decrease in the amount of funding we're
24 providing for the program. But I think we're anticipating
25 that over time there -- you know, the population of some

1 of the grantees may decrease, and so we've decreased the
2 funding accordingly.

3 --o0o--

4 SCIENCE & TIRE ENGINEERING SECTION SUPERVISOR

5 FUJII: The next element is the Rubber Chip Seal Grant
6 Program. And this is a program that is a pavement
7 maintenance strategy, who's improved performance over
8 conventional chip seal is well documented. The Board
9 offered this grant program for the first time last year,
10 in '07-'08, and was very successful due to the
11 overwhelming response by local governments that applied
12 for the grant.

13 So the Board's proposing to continue to offer
14 this program to local governments, and then provide them
15 an additional cost saving paving option that will
16 hopefully extend the life of their highways.

17 The Board anticipates decreasing this grant award
18 for this program, as the rubberized chip seal used by
19 local jurisdictions we anticipate will decrease over time.

20 --o0o--

21 SCIENCE & TIRE ENGINEERING SECTION SUPERVISOR

22 FUJII: Proposed funding for this element is pretty
23 consistent at two million for the five fiscal years for
24 this plan. It was previously funded at 2.5 million for
25 '07-'08 and '08-'09.

1

2 SCIENCE & TIRE ENGINEERING SECTION SUPERVISOR

3 FUJII: Our Tire-Derived Product Grant Program. This is a
4 program that is designed to increase demand for
5 tire-derived products and to foster new technologies and
6 expand the use of waste-tire-derived materials to include
7 a higher value added tire-derived product. This will be
8 accomplished -- I mean, this will -- as you can see, the
9 program is -- I mean, the program has been relatively
10 successful over the years and has been -- oh, wait a
11 minute. I'm sorry. Wait a minute. I'm getting ahead of
12 myself here.

13 Let's back up. The Tire-Derived Product Grant
14 Program. This program provides grants for the purchase of
15 tire-derived products, such as sport surfacing, rubberized
16 sidewalks, weed abatement covers, mulch, sound barriers,
17 and traffic safety products.

18 Eligible grant recipients may include, but not
19 limited to, public entities, businesses, or enterprises as
20 determined by the Board.

21 The Program's been successful over the past years
22 and was typically oversubscribed.

23 --o0o--

24 SCIENCE & TIRE ENGINEERING SECTION SUPERVISOR

25 FUJII: Proposed funding for this element is 3.3 million

1 for the first three fiscal years and two million for the
2 following two fiscal years. In the past, it's been
3 supported by 2.4 million in '07-'08 in the previous plan
4 and two million in '08-'09.

5 --o0o--

6 SCIENCE & TIRE ENGINEERING SECTION SUPERVISOR

7 FUJII: Now, I got ahead of myself. The next element is
8 the Tire Business Assistance Program. And this is a
9 program that's designed to increase the demand for TDPs
10 and foster new technologies and expand the use of
11 waste-tire-derived materials to higher value added
12 products.

13 This will be accomplished by increase in demand
14 for tire-derived products, improving the cost
15 effectiveness -- efficiencies and decreases in the
16 operational cost for tire-derived businesses, assures
17 availability of the waste tire feedstock, and expands
18 capacity for tire-derived product businesses.

19 --o0o--

20 SCIENCE & TIRE ENGINEERING SECTION SUPERVISOR

21 FUJII: Proposed funding for this element is 2.5 million
22 in 2010-11; 674,000 and some change for 2011-12; and then
23 two million for 2012-13 and then 2.5 million in 2013-14.

24 Previous versions of the five-year plan, 3.3
25 million for '07-'08 and then two million for '08-'09.

1 --o0o--

2 SUSTAINABILITY PROGRAM DIRECTOR LEVENSON: And,
3 Madam Chair, if I can interject. The same explanation for
4 the ups and downs applies here. This is so that we can
5 encumber the funds in a longer-term contract and provide
6 continuity of services.

7 --o0o--

8 SCIENCE & TIRE ENGINEERING SECTION SUPERVISOR
9 FUJII: The next element's the Tire Equipment Loan
10 Program, which is used to encourage tire recycling
11 manufacturers to site new facilities and expand existing
12 operations.

13 This new tire loan program will provide
14 low-interest loans for purchase of equipment, for
15 tire-derived products including priority given to
16 tire-derived aggregate, consistent with the existing RMDZ
17 loan program. This will be accomplished by low-interest
18 loans for equipment purchases, some priority given to
19 businesses that want to diversify and make TDA, and also
20 loans to businesses at landfills and monofills for
21 tire-derived products.

22 --o0o--

23 SCIENCE & TIRE ENGINEERING SECTION SUPERVISOR
24 FUJII: Funding for this activity, which is a new program,
25 is \$4 million for the first three fiscal years. And

1 it's -- this is, of course, pending the approval of the
2 budget process.

3 --o0o--

4 CHAIRPERSON BROWN: Is it intended as a pilot
5 project? That's why you're not funding it in the
6 out-years? We're just going to see how it goes and
7 then -- because it's modeled after the RMDZ program where
8 they're low interest. I assume we need to see how it
9 goes, see how repayments come in before we decide whether
10 we're going to --

11 SUSTAINABILITY PROGRAM DIRECTOR LEVENSON: That's
12 correct, Madam Chair. And as you may recall, in the old
13 Tire Business Assistance Program grants, we had equipment
14 grants. And in the new cycle, which you'll actually be
15 hearing about in the next couple months, the equipment no
16 longer is part of the grant availability. And the Board
17 was interested in providing loans for equipment. So in
18 the report to the Legislature last May, on the reserve, we
19 proposed establishment of a new loan fund. So we'll try
20 it out, assuming we get the authority and the -- the
21 expenditure authority, and report back.

22 CHAIRPERSON BROWN: Okay. Thank you.

23 Thanks Bob.

24 SCIENCE & TIRE ENGINEERING SECTION SUPERVISOR

25 FUJII: Okay. The next element is the Technical

1 Assistance for State of Baja California Integrated Waste
2 Tire Management Plan element. And the purpose is to
3 provide the State of Baja California, Mexico, with an
4 organizational framework for developing tire management
5 plans and technical assistance regarding waste tire
6 management practices at the state and municipal levels.
7 This assistance should ultimately benefit both California,
8 the California-Mexico border region, and assist in
9 minimizing environmental impacts to California.

10 Ultimately, the contract -- CIWMB contract to
11 provide technical assistance to develop model plan
12 framework will provide a -- hopefully result in a plan
13 that will generate the Integrated Waste Management Plan
14 for this element.

15 --o0o--

16 SCIENCE & TIRE ENGINEERING SECTION SUPERVISOR
17 FUJII: The funding for this program is funded pretty
18 consistently at \$20,000 for all five fiscal years and then
19 was previously supported in the previous plan by 20
20 million for '07-'08 and '08-'09.

21 --o0o--

22 SUSTAINABILITY PROGRAM DIRECTOR LEVENSON: For
23 the record, that's 20,000.

24 SCIENCE & TIRE ENGINEERING SECTION SUPERVISOR
25 FUJII: Twenty thousand. Sorry.

1 CHAIRPERSON BROWN: Okay.

2 SCIENCE & TIRE ENGINEERING SECTION SUPERVISOR

3 FUJII: My glasses need to be fixed.

4 --o0o--

5 SCIENCE & TIRE ENGINEERING SECTION SUPERVISOR

6 FUJII: The next element, Sharing of Environmental
7 Education Materials throughout the Border Region. SB 772
8 requires the Board to work with Mexico in areas relating
9 to waste and used tires and environmental education and
10 training. And in coordination with the Office of
11 Secretary for Environmental Protection Affairs, the
12 CIWMB's Office of Education of the Environment, the Board
13 will continue to implement a mechanism to allow for a
14 bi-national distribution of CalEPA's environmental
15 education curriculum entitled "The Conservation of
16 Pollution Prevention at a Shared Border."

17 This will be accomplished by working with -- in
18 coordination with CalEPA's Board Affairs Office. We will
19 be training the trainers, who in turn will train teachers
20 at workshops in Mexico. And some of the funding will be
21 used for reprinting this curriculum to be used for this
22 purpose.

23 --o0o--

24 SCIENCE & TIRE ENGINEERING SECTION SUPERVISOR

25 FUJII: Proposed funding for this element is \$20,000 for

1 the first two fiscal years, and then was previously
2 supported at 20,000 in '07-'08 and '08-'09 in the last
3 five-year plan.

4 --o0o--

5 SCIENCE & TIRE ENGINEERING SECTION SUPERVISOR

6 FUJII: The next element is the CalMax and WRAP
7 activities. These two -- there are basically two
8 sub-elements in this particular element. And the
9 California Materials Exchange, the purpose is to help
10 businesses find markets for their recycled materials.

11 And in the second element, which is the Waste
12 Reduction Awards Program, the Board uses this to recognize
13 some outstanding efforts by our various stakeholders to
14 reduce waste in their businesses.

15 --o0o--

16 SCIENCE & TIRE ENGINEERING SECTION SUPERVISOR

17 FUJII: Funding for this effort is consistent at \$24,666
18 for all five fiscal years and hasn't changed from the
19 previous version of the five-year plan.

20 --o0o--

21 SCIENCE & TIRE ENGINEERING SECTION SUPERVISOR

22 FUJII: The next element is our tire events element. And
23 in this element we use -- basically support all of the
24 various tire events that the Board sponsors. These events
25 will provide attendees with an up-to-date information on

1 the Board's Waste Tire Management Programs.

2 --o0o--

3 SCIENCE & TIRE ENGINEERING SECTION SUPERVISOR

4 FUJII: And the proposed funding for these programs are --

5 or for this program element is 118,000 in '09-'10, 75,000

6 in 2010-11, 30,000 in 2011-12, and 100,000 in the last two

7 fiscal years. Previous version of the plan, 75,000, which

8 was provided in '07-'08.

9 --o0o--

10 SCIENCE & TIRE ENGINEERING SECTION SUPERVISOR

11 FUJII: And then our last element in this section, the

12 Web-Based Grant Management System. Under this element,

13 the Board will develop a system to allow electronic input

14 and tracking of all of our grant applications.

15 And hopefully this system will result in

16 elimination of input errors; it will be convenient for

17 potential grantees; and then increase our staff efficiency

18 in resulting in faster input and analysis; and then also

19 facilitate a quicker turnaround time for our grant

20 evaluation and fund distribution.

21 --o0o--

22 SCIENCE & TIRE ENGINEERING SECTION SUPERVISOR

23 FUJII: Funding for this effort is proposed at 150,000 for

24 fiscal year '09-'10.

25 That concludes my presentation.

1 Any questions?

2 CHAIRPERSON BROWN: Wow.

3 Any questions?

4 We have a couple speakers.

5 So why don't we take the speakers. And if we

6 have follow-up questions, we'll ask the panel.

7 Our first speaker is Michael Blumenthal.

8 MR. BLUMENTHAL: Madam Chair, thank you very

9 much. My name is Michael Blumenthal. I'm the Vice

10 President of the Rubber Manufacturers Association. The

11 RMA is the national trade group that represents the eight

12 U.S.-based tire manufacturers. And I have a series of

13 comments that's long, involved, complex. A lot of things

14 out here. Trying to stick to some of the order that we

15 have.

16 Number one, the chips are not going to happen.

17 We have chips in some tires but not all tires. It's just

18 not going to work. Sorry.

19 Sorry. No chips, no dip.

20 We do encourage the Board to support all of the

21 enforcement and abatement projects. We think abatement --

22 first off, you have less than two million tires in known

23 piles. You have ample money. Yeah, the costs are going

24 to vary depending on where the tires are and the degree of

25 difficulty. But you got less than two million tires.

1 You've got known piles. And I will say that once you do
2 start looking for piles, you will find piles. This is not
3 unique to California. This is across the board. So
4 having reserve money is always a good idea.

5 And as far as the enforcement is concerned, it is
6 the most important factor for making the industry work,
7 because it gets rid of the unwanted elements that are out
8 there.

9 We also think that the manifest system should be
10 able to help you reduce some of the tire dumping problems
11 that you have, which leads us into a thorny discussion of
12 amnesty days. A lot of municipalities like these amnesty
13 days. They go out, they offer them, and they find tires
14 and they find a lot of tires. What we're finding is
15 people take their tires home with them when they buy their
16 new set, wait for the amnesty day so they can drop them
17 off without paying anything. So the State has to pay for
18 it twice.

19 We think that one of the -- we're trying to --
20 once the budget finishes, one of the things we want to
21 work on is getting something changed that you have to
22 leave the tires at the point of purchase, because that's
23 going to resolve a lot of these issues. And need to keep
24 in mind that when you have this level of enforcement and
25 level of information on the manifest, you should know

1 where the tires are going, you should be able to track
2 down where the dumpers are, which hopefully should be able
3 to reduce on the payments that you have on these abatement
4 projects.

5 As far as the market develop projects go, we
6 heard a lot of different -- a lot of different programs
7 out there. We're a strong supporter of all the major
8 markets. The question that we have is, how do you manage
9 all this stuff? - and I don't mean watching the money go
10 out the door - is, how do you analyze how effective any of
11 these market development programs are? And right now,
12 there is no mechanism to do that.

13 Once upon a time the Board used to say, "Well,
14 we're going to monitor this by the amount of money we give
15 for each tire pound or tire that goes out." That still
16 doesn't tell you whether the programs are effective or
17 not. You've gone up from 71 percent to probably now
18 about -- to about 75 percent. Are the markets that have
19 been created -- are they self-sustaining, the RAC markets
20 in particular? You keep on giving grants out there. Do
21 you know how many tires that are going into this, what the
22 costs are?

23 Are the recipients buying RAC without receiving
24 the grants? I think without knowing that, you don't know
25 how effective your tire grant program is going to be for

1 RAC. RAC has many benefits out there. And our sense is
2 that a different tack may be necessary. The education
3 program that you're talking about I think needs to be
4 revved up. And I think the grants need to be driven down,
5 because one day there will not be any more grant money
6 available. What will happen to the markets then? If the
7 markets go away, you've wasted over a hundred million
8 dollars on RAC grants without creating self-sustaining
9 markets, which is the goal of what this Board is supposed
10 to be doing.

11 You also don't have any idea of what the impact
12 on the ground rubber marketplace in the state is when you
13 put out all these grants. I know that R.W. Beck is going
14 to be coming out with this information probably some time
15 next month. But I think it's very important to have a
16 handle on what the generation of ground rubber is, where
17 the markets are, and what the demand for RAC would be
18 without the grants, what the demand for all these other
19 products are going to be without grants, because some day
20 that is going to be the very important question. It also
21 might help you to better focus where these grant monies
22 are going.

23 You can't manage what you don't measure. You
24 don't know how many tires -- I know, I always say this. I
25 should have a tape recording about this.

1 CHAIRPERSON BROWN: No, actually we know who
2 actually said that originally. We were just talking about
3 it earlier. That's why we smiled.

4 MR. BLUMENTHAL: I thought it was Bernard Baruch,
5 but that's just me.

6 It could be.

7 You don't know how many tires are going there,
8 you don't know what the impact on the overall market is.
9 All these metrics are important to understand what the
10 true costs of these tire programs are, as well as to
11 really get a handle on what the more effective ways of
12 doing these grant programs are. We are not opposed to
13 RAC, not opposed to any of these markets. We're trying to
14 make them more efficient and get -- and help to sustain
15 all of these markets, upset of the marketplace, amnesty
16 days.

17 We believe that there is a fair amount of rubber
18 coming into this state. I think one of the things that
19 you need to take a look at is the regional impact of
20 markets, something that we have talked about for a long
21 time. I know you can't do anything in other states. But
22 if you're going to do some sort of a workshop or tire
23 conference, bring in Utah, bring in the folks from British
24 Columbia, the people from Nevada, from Utah -- sorry --
25 from Arizona, from Baja, and talk about a regional

1 approach to markets. You're spending more money on market
2 development than anybody else. You know, other states are
3 taking advantage of this. I think you need to look at
4 things from a more global or at least regional
5 perspective.

6 I think -- and this obviously is going to have an
7 impact on your -- impact on your diversion rate. I think
8 as you grow markets and if the rubber keeps being imported
9 from other areas, you will not achieve your goals.

10 I also think you need to look at what the impact
11 of the current economic conditions are going to be on your
12 market plans. Our view is that some of these markets,
13 playground and mulch, for example, is going to take a hit
14 in '09 and in '10. And the in-fill issues either going
15 to -- they're going to be resolved some time in 2010,
16 which leads me to my next comment about having the
17 research done on in-fill for 2011 and 2012. I can
18 guaranty you whatever the resolution to the in-fill market
19 is going to be, it's going to happen long before 2011 or
20 2012. By the time that report comes out, it's going to be
21 yesterday's news.

22 I think you need to have more focus on molded
23 extruded rubber products. I know just one of the things
24 to be looking at. But I think that needs to be expedited,
25 because those markets can use rubber on a more consistent

1 basis, less subject to the ups and downs of the
2 marketplace.

3 On tire-derived aggregate, I'm happy to announce
4 that on April 20th in San Diego, RMA, along with two other
5 trade associations, are going to put together an
6 industrial materials workshop to look -- we're going to
7 have tire-derived aggregate, C&D material -- C&D
8 materials, and paper byproducts at a road construction
9 workshop in San Diego in conjunction with -- Waste Board
10 is part of this -- San Diego County, San Diego State
11 Department of Conservation - we're going to be working
12 with Baja California and the other counties in the region
13 - to educate the engineers on the use of tire-derived
14 aggregate, as well as the other industrial byproducts.

15 The reason why we picked San Diego is that it is
16 a deficit area for road construction -- all of their
17 products, and they have to bring them in from a large
18 distance. Using tires, C&D material, and paper byproducts
19 will cut down on greenhouse gases, save money. It's
20 better for the local economy.

21 One of the things that was raised there was money
22 for processing tires to landfills and monofills. I
23 thought the idea was to get tires out of landfills and
24 monofills. Why would you ever want to put money back into
25 shredding tires going into monofills?

1 On Mexico -- gives one of the line items. On
2 Mexico, working with Baja, I think, is very important
3 where we are a stakeholder in the Border 2012 Tire
4 Program. One of the things I think you might find
5 surprising is that the Mexicans have decided that they
6 really want to get involved with ground rubber. And I
7 think you need to sit down and coordinate these programs a
8 little bit better, because their idea is to set up a
9 series of ground rubber production plants along the border
10 on the Mexican side and start doing RAC projects.

11 Now, this would be in direct competition with the
12 rubber that you are producing here. And our view is that
13 this is not the best approach. We think a more
14 diversified marketplace in Mexico is necessary.

15 But we have every indication from our sources in
16 Mexico that this is the way they intend to go about it.
17 They want to jump in right smack in the top. And we
18 believe this is going to fail. But before it fails, it
19 may take a few of you ground rubber guys out because
20 there's going to be a lot of supply. And if they can't do
21 the RAC roads there, guess where the markets are?

22 So I think more coordination on a regional basis
23 is very important. You are the big dog on the porch. You
24 have a lot of markets, and people are taking advantage of
25 this. You need to start looking at things on a regional

1 basis, and I think that will help you tremendously.

2 But I think the most important thing you need to
3 take a look at is: What are the impacts of these grants
4 on the current market conditions here in California? How
5 much rubber is actually going into RAC? What is the
6 possible demand? And are there better ways to achieve
7 your ends? We'd be happy to work with you, sit down with
8 you and talk about this.

9 And with that, thank you for your time and your
10 attention.

11 CHAIRPERSON BROWN: Thank you, Michael.

12 Does anybody have any questions for Michael?

13 I did hear you support the \$2 million increase in
14 education and outreach. And I appreciate that.

15 MR. BLUMENTHAL: Well, I think education and
16 outreach is the absolute most important thing you're ever
17 going to do. Education of all the engineers is absolutely
18 important, if you teach them how to use it, show them how
19 to use it, show them that it's cost effective.

20 CHAIRPERSON BROWN: Oh, that's a different line
21 item. I'm talking about public outreach and education.

22 MR. BLUMENTHAL: Oh, that.

23 CHAIRPERSON BROWN: Civil engineering education
24 and outreach is a whole other line item.

25 So I see -- I hear an overall support for the

1 five-year tire plan from you and a pledge to work with the
2 staff to help address some of your concerns.

3 MR. BLUMENTHAL: I believe I have been designated
4 as an industry volunteer to the staff to --

5 (Laughter.)

6 CHAIRPERSON BROWN: Thank you. I love it when we
7 have you stand up at the podium and volunteer assistance
8 connected with these.

9 MR. BLUMENTHAL: Well, I think I was volunteered.
10 I think -- industry volunteer, right?

11 Yes, I'm an industry volunteer. Once a
12 volunteer, always a volunteer.

13 Thank you.

14 COMMITTEE MEMBER PETERSEN: That's right.

15 SUSTAINABILITY PROGRAM DIRECTOR LEVENSON: Madam
16 Chair, could I respond very briefly to --

17 CHAIRPERSON BROWN: Yes.

18 SUSTAINABILITY PROGRAM DIRECTOR LEVENSON:

19 -- Michael's comments? Which I do appreciate.

20 And we have tried to address some of his comments in the
21 plan and continue to.

22 I just wanted to note a couple things. One under
23 our Tire Business Assistance Program contract. We have an
24 upcoming activity, which is a market analysis, which we
25 can focus a little bit more on this issue of program

1 effectiveness and then certainly have Michael participate
2 in helping to shape that.

3 It's going to be difficult. You know, we can
4 assess what an individual grantee does. But in terms of
5 getting information on impacts on proposed business plans
6 and market expansions, that's typically proprietary
7 information, which is hard for us to get. But we can give
8 it a shot.

9 I do also want to come back to what I said
10 earlier, which is that the Board does recognize this issue
11 of subsidization. And, in fact, in the RAC program, as
12 Bob described, we've suggested that as people get used to
13 doing that, we ramp those funds down. As you noted, we've
14 provided additional funds -- proposed additional funds for
15 outreach of various sorts.

16 And then also in the next cycle of grants for the
17 Tire Business Assistance Program, that will be coming out.
18 And that has a focus on crumb rubber, molded and extruded
19 products.

20 So I think we are trying to address Michael's
21 concerns. It may not be quite as apparent --

22 CHAIRPERSON BROWN: Well, then government only
23 can move at an appropriate pace. I mean, we do have a
24 process that we need to adhere to. We can't just go
25 straight out on the street with some things. We have a

1 process we need to follow. So we can't be as responsive
2 as sometimes you would like us to be, but we're working on
3 it.

4 Sheila.

5 COMMITTEE MEMBER KUEHL: Also, I think it
6 absolutely is true you can't manage what you can't
7 measure. But you also have to think about what you're
8 measuring and how realistic it is. Most local
9 jurisdictions are not repairing their streets. And they
10 are not undertaking new projects to build new streets
11 right now, because of the budget.

12 So if you're measuring whether they would use RAC
13 or not use RAC, the third alternative is "ain't going to
14 do it anyway." And I think so long as the measurement
15 is -- you know, is a realistic one, in terms of how we are
16 getting information back from our local jurisdictions, I
17 think it can be very valuable.

18 But my feeling about incentives is that in this
19 particular economic environment, we are often providing
20 not only an incentive, but a possibility that would not
21 happen otherwise. So I think that's the third piece that
22 has to be looked at when we do measure.

23 I do agree with Mr. Blumenthal that the
24 measurement is an important part. Do we know that we're
25 having an impact?

1 But if I were to say to one of my cities in my
2 former district, "Would you build" -- "Would you do this
3 without the grant?", they would be very, very reluctant to
4 say yes, because they want the grant, you know, and have
5 to prove that they need it. And so we -- you know,
6 obviously how you measure is a very important thing as
7 well.

8 CHAIRPERSON BROWN: Thank you. Excellent point.

9 We have one other speaker. Terry Leveille.

10 MS. LEVEILLE: Good morning, Madam Chair and
11 Board members. Terry Leveille, publisher of the
12 California Tire Report, and representing the Tire Dealers
13 Association and a couple of other tire recyclers
14 throughout the state.

15 We can see, by just the length of this
16 presentation today, how many programs there are in the
17 tire program. And one of the things that the Tire Dealers
18 Association, whose members collect the dollar seventy-five
19 on the sale of each tire, has raised from time to time is
20 that ultimately this program will have to start winnowing
21 down. And I told them I was going to remind the current
22 Board members and the new Board members that this is one
23 of the things that the tire dealers and the auto dealers
24 have said, that the dollar seventy-five is probably a
25 little bit too much.

1 And as long as we've got good enforcement
2 programs, good waste tire hauler programs, and other types
3 of programs to prevent the buildup of illegal tire piles,
4 and California has -- once it's developed a good
5 infrastructure for tire-derived products, then we always
6 have to keep it in the back of our minds that down the
7 line we should start looking at reducing the fee and
8 certainly the programs. And we're not at that point yet
9 obviously. We still do have some work to do as far as
10 encouraging tire-derived product use among customers,
11 among the residents of California, and among local
12 governments.

13 And I think one of the other things that we've
14 been strongly supportive of is pushing tire-derived
15 aggregate. That can use a significant amount of tires.
16 And the only thing I saw looking at the five-year plan,
17 there's some money into a contract to provide funds for
18 local governments and construction oversight using
19 tire-derived aggregate. But I think we should start
20 looking at one of the successes of the tire program, which
21 is the asphalt rubber programs, and where virtually every
22 local jurisdiction, if they're not using it, they're at
23 least aware of it and they're confident in the product, is
24 that we should start maybe a tire-derived aggregate grant
25 program.

1 Why does this -- what this would do is would
2 alert these local governments on a yearly basis or a twice
3 yearly basis that there's grants out there for this type
4 of thing. While it's admirable that we do have this
5 contract that ostensibly could potentially assist local
6 governments, I think the governments need to know, on a
7 regular basis, that there's money out there for this type
8 of product and this type of product is well worth it. So
9 down the line, I would encourage at least some type of
10 similar programs to what we've done with RAC, which, as
11 you all know, has been an unmitigated success.

12 But as far as the -- Board Member Laird was
13 asking earlier if the Legislature doesn't return the \$17
14 million, what's that going to do to the program? And
15 staff rightly said it's not going to do anything to it.
16 Because at the time the Legislative Analyst's Office asked
17 for the Board to come up with the report last year, there
18 was about \$40 million of unspent tire fund money that was
19 being increased every year. With the addition of that 17
20 million, that would mean \$57 million that the Board had to
21 look at to develop programs to try and figure out how to
22 spend the money.

23 So I don't think we're ever in dire straits as
24 far as programs are concerned. In fact, one of the things
25 the tire dealers have said all along - and, of course, you

1 know the Waste Board only gets one dollar out of the
2 dollar seventy-five that's collected on the sale of
3 tires - is that over the years, since this program was
4 instituted, about \$40 million has come into the Board, but
5 they've only had authorization to spend anywhere from 30
6 to 35 million. And so every year the five to seven
7 million dollars gets put in reserve and it grows and it
8 grows and it grows. And that's how we ended up with that
9 situation last year where there was \$40 million. A
10 ripe-looking apple for the Legislature too.

11 But certainly the Board has sufficient funds to
12 continue with its programs.

13 I only had a couple of items that I wanted to
14 pinpoint. One was the Tire Recycling Equipment Loan
15 Program, which is a worthy proposal, based along the RMDZ
16 Loan Program lines, but without having a company reside in
17 a zone. Four million dollars for the next three years. I
18 think it's a good -- I don't like the reference that the
19 priority be given to tire-derived aggregate for new
20 tire-derived aggregate equipment. I don't think it's
21 necessary.

22 First of all, any company that comes into
23 California that starts up in California is not going to
24 start up by processing tires into tire-derived aggregate,
25 simply because there's not enough programs. You have to

1 have some other type of operation, some sort of mutually
2 exclusive deal with a landfill that you're making
3 alternative daily cover or civil engineering chips for gas
4 collection systems. But you're not going to be starting
5 up a system of tire-derived aggregate using equipment that
6 makes tire-derived aggregate. I'd like to see that taken
7 out.

8 I think it's enough that the Board's got a
9 significant amount of money going into publicizing
10 tire-derived aggregate. It's got a pretty big contract
11 with tire-derived aggregate. I don't think the priority
12 should be given to just companies that aren't making
13 tire-derived aggregate to make tire-derived aggregate.
14 That's just a minor thing. I just think it's just not
15 necessary.

16 One of the things that Michael mentioned was
17 tires coming from -- and tire products coming from out of
18 state. That seems to be a problem. I'm hearing from some
19 crumb rubber producers that crumb rubber is coming down
20 from Canada - heavily subsidized crumb rubber. And it's
21 being used primarily in the turf market. And this is
22 something that it's not reflected in this thing, but it's
23 something that I wanted to make the Board members aware
24 of, that this could be a potential problem for the three
25 or four companies that do make crumb rubber in California,

1 that -- and this was a problem seven, eight years ago.
2 But it was affecting, at that time, the asphalt rubber
3 markets. Now, it's starting to affect the synthetic turf
4 markets. So just to make that known and just to tuck it
5 under your belt for later discussion.

6 We look forward to possibly these hearings on
7 loosening up or making more flexible the storage
8 requirements. I can see that Mr. Lee's going to be
9 holding at least one workshop he said in the spring. And
10 I think that's probably a good way to go. It's certainly
11 well needed. And we should expand it, I would hope, to
12 include the possibility of discussing the TDA storage
13 issue.

14 Thank you very much.

15 CHAIRPERSON BROWN: Thank you, Terry.

16 SUSTAINABILITY PROGRAM DIRECTOR LEVENSON: Just
17 one comment back on what Terry has proposed. I believe --
18 and I'd have to go check the report -- but the May report
19 to the Legislature I'm pretty sure had a proposal for a
20 TDA --

21 CHAIRPERSON BROWN: -- grant program.

22 SUSTAINABILITY PROGRAM DIRECTOR LEVENSON:

23 -- grant program. But that was not included in
24 the Governor's budget. But I'll have to check that.

25 CHAIRPERSON BROWN: Yeah.

1 SUSTAINABILITY PROGRAM DIRECTOR LEVENSON: But we
2 have contemplated that, I think something -- a direction
3 the Board wanted us to move in in the future.

4 CHAIRPERSON BROWN: Right. Okay.

5 COMMITTEE MEMBER MULÉ: That's my recollection.

6 Thank you.

7 CHAIRPERSON BROWN: Thank you, Howard.

8 Any questions?

9 I think that's it on that one. We knew it was a
10 heavy item. Chunky I think it was described as.

11 So we have two more items.

12 Do we need a break?

13 I think we need a five-minute break to reset --

14 Pardon me?

15 -- I was going to say to reset. We have two more
16 items that will take time. So I am going to start back in
17 five minutes, at a quarter till according to this clock,
18 so that we can get --

19 SUSTAINABILITY PROGRAM DIRECTOR LEVENSON: Madam
20 Chair, I presume you don't want to hear this presentation
21 again at the Board meeting.

22 CHAIRPERSON BROWN: Actually, I really do. But I
23 think in the interests of time, let's hold over and we
24 can -- we're going to hear it again in May.

25 COMMITTEE MEMBER KUEHL: But not in this detail.

1 SUSTAINABILITY PROGRAM DIRECTOR LEVENSON: Well,
2 what we do need from you is some discussion as to whether
3 there's any particular large items that you want us to
4 provide additional funding for or decrease some of this.
5 We just need a general discussion from the Board. But I
6 don't think we need this presentation.

7 But your sense as you mulled over the information
8 we provided today is probably on target or --

9 CHAIRPERSON BROWN: Right. We don't need a full
10 presentation. I think we need a top level overview.
11 We'll do the funding strip. And I talked to Sally about
12 providing the graph of all the different funding so we
13 could look at the overall -- the big picture.

14 SUSTAINABILITY PROGRAM DIRECTOR LEVENSON: Thank
15 you.

16 CHAIRPERSON BROWN: Thank you.

17 MS. FRENCH: Thank you.

18 (Thereupon a recess was taken.)

19 CHAIRPERSON BROWN: We're going to go ahead and
20 start on the next item. While everybody's gathering, I'm
21 just going to be conscientious of our time.

22 Okay. We are going to go ahead to Committee Item
23 C and Board Agenda Item 11, which is Consideration of
24 Allocation Proposals to be Funded from the Used Oil.

25 I think I'll have Kristen quickly call the roll.

1 EXECUTIVE ASSISTANT GARNER: Kuehl?

2 COMMITTEE MEMBER KUEHL: Here.

3 EXECUTIVE ASSISTANT GARNER: Laird?

4 COMMITTEE MEMBER LAIRD: Here.

5 EXECUTIVE ASSISTANT GARNER: Migden?

6 COMMITTEE MEMBER MIGDEN: Here.

7 EXECUTIVE ASSISTANT GARNER: Mulé?

8 COMMITTEE MEMBER MULÉ: Here.

9 EXECUTIVE ASSISTANT GARNER: Petersen?

10 COMMITTEE MEMBER PETERSEN: Here.

11 EXECUTIVE ASSISTANT GARNER: Brown?

12 CHAIRPERSON BROWN: Here.

13 And so we'll move to Agenda Item 11.

14 Pardon me?

15 SUSTAINABILITY PROGRAM DIRECTOR LEVENSON: We do
16 have the pharmaceutical item. But we'll take it up in
17 whichever order you prefer.

18 CHAIRPERSON BROWN: We usually do numerical
19 order, but we can skip around.

20 Sorry. My problem.

21 Let's do 10 before 11. Sorry.

22 SUSTAINABILITY PROGRAM DIRECTOR LEVENSON: Thank
23 you. I'm sorry. I think I distracted you by telling you
24 something about the used oil --

25 CHAIRPERSON BROWN: You did. Sorry.

1 That's all right.

2 SUSTAINABILITY PROGRAM DIRECTOR LEVENSON: My
3 mistake

4 (Thereupon an overhead presentation was
5 Presented as follows.)

6 SUSTAINABILITY PROGRAM DIRECTOR LEVENSON: Okay.
7 Madam Chair, this is Item 10, which is our -- we'll have
8 to get a different presentation up there, please.
9 But this is about the pharmaceutical item. And
10 today we're seeking your consideration of revisions to the
11 model criteria and procedures for the collection of
12 pharmaceuticals, which is required by SB 966.

13 SB 966 gave some very definitive directions to
14 the Board on what to include in our development of
15 programs and to adopt criteria and procedures by December
16 1st, which the Board did last year. Longer term we also
17 have to monitor and evaluate this program and report to
18 the Legislature in late 2010.

19 I think, as our previous Board members know, this
20 has been a very difficult undertaking. We've had a lot of
21 controversy about this item. Many different stakeholders
22 and agencies have an interest in the item. And in part,
23 this stems from conflicts in some of the existing
24 statutes -- other statutes that affect implementation of
25 this program.

1 I do want to thank Jim Cropper, who some of you
2 will remember, for all of his work in shepherding this
3 through. He has moved on to another agency. But he did a
4 great job last year, along with Jeff Lin and Fernando and
5 Brenda, in shepherding this through.

6 And I think it's important to remember that we
7 did begin a year ago this month with working group
8 meetings with the various agencies, which was required by
9 statute, and that we also conducted a number of public
10 workshops where stakeholders discussed their programs and
11 reviewed some of the draft materials.

12 Late last fall, there still remained a number of
13 substantive uncertainties and questions about improper
14 collection and reuse of pharmaceuticals and enforcement
15 authority. And so we had very extensive discussions with
16 our sister agencies. And that was facilitated by Madam
17 Chair and Secretary Marin over at State and Consumer
18 Services. Member Mulé was very involved in those
19 discussions as well. So I think that was very
20 instrumental in moving us along.

21 At that point, we proposed model criteria that
22 the Board adopted in November. But, at the same time, you
23 directed us to have an additional stakeholder workshop to
24 try and address some of the concerns that people expressed
25 at that November meeting. And we held that workshop on

1 December 19th. And then we're returning to you today,
2 once we get the presentation up - I'm sort of stalling a
3 little bit. - with the results of that workshop and some
4 potential revisions.

5 Fernando's going to walk you through this in more
6 detail. But I want to specifically highlight one thing.
7 And, that is, that many of the concerns and issues that
8 were raised by all of the stakeholders, in November and
9 then at the December workshop, are issues that concern
10 statutory provisions, mostly State, but also federal.
11 We've compiled a list of these in the item. We certainly
12 can run through those if you wish. But we certainly could
13 not propose criteria and procedures that were contrary to
14 existing statutes. So we are very constrained in our
15 ability to address some of the concerns that people
16 raised.

17 CHAIRPERSON BROWN: Okay. And let me maybe hold
18 you, Fernando, because I think you and your staff have
19 done an excellent job in presenting the item to us in
20 writing. And we have all of the charts on what the
21 changes were, what was proposed in the workshops, what our
22 resolution is. Everything in blue is a statutory change
23 that we cannot make.

24 So in the interests of time, what we can do,
25 instead of doing the presentation, Fernando, is that you

1 and Jeff can highlight anything that's not already in the
2 agenda item that we've received and had time to digest and
3 look through, if there's anything along those lines. And
4 then we can open it up to the audience, because we do have
5 some speakers.

6 But I would like to also specify to the audience,
7 since we did hear this extensively in November and this is
8 really comment from the final product, if you've submitted
9 something to us in writing, then we have it and we're
10 taking that you don't need -- please don't read it. Just
11 supplement it with other things that maybe weren't
12 included.

13 And I'll turn it over to staff, at this point, to
14 sort of do the extra.

15 RESEARCH AND APPLIED TECHNOLOGY BRANCH MANAGER

16 BERTON: Yes. Sorry for all the distractions, Board
17 members. My name is Fernando Berton. I'm the Manager of
18 the Research and Applied Technology Branch.

19 And as Chair Brown has indicated, we have pretty
20 well highlighted the different changes. So I guess really
21 the only thing I would want to highlight is some recent
22 comment letters that we've received just this morning from
23 Larry Sweetser representing the Rural Counties
24 Environmental Services Joint Powers Authority, which I
25 hope you all have copies of.

1 Most of his comments really seem to be pretty
2 supportive. He does have some minor technical changes
3 that -- oh, I've had discussions with representatives from
4 the Board of Pharmacy here today this morning, as well as
5 representatives from Department of Public Health, who have
6 copies of this letter as well. And they have also
7 submitted speaker slips.

8 In looking at the comments from Mr. Sweetser and
9 Environmental Services JPA, we seem to -- I think we can
10 accommodate most of his changes. They're nothing really
11 too substantive. Maybe some clarification here and there,
12 but nothing that would really be substantive that would
13 change too much in the existing document, Attachment 1 of
14 your agenda package.

15 We also did receive a letter from the Board of
16 Pharmacy, from Ms. Virginia Herold, who's the Executive
17 Officer, who I believe could probably speak to those
18 comments better than we can, at this point.

19 So with that, I'll turn it over.

20 SUSTAINABILITY PROGRAM DIRECTOR LEVENSON: Yeah,
21 I think for the changes that the ESJPA has suggested,
22 Madam Chair, unless there's some that the Board does not
23 agree with, what I'd suggest is that we make those
24 revisions between this Committee meeting and next week.
25 And then you'll be able to vote on them at the Board

1 meeting next week.

2 CHAIRPERSON BROWN: You have a question?

3 COMMITTEE MEMBER KUEHL: I just have a question
4 only because I didn't join the Board until December 1st.

5 The Attachment 1 is the proposed criteria. And
6 the changes from what was adopted -- or considered --
7 changes made after these conversations with stakeholders
8 are simply the underlined or strikeout?

9 RESEARCH AND APPLIED TECHNOLOGY BRANCH MANAGER
10 BERTON: Yes, that is correct.

11 COMMITTEE MEMBER KUEHL: Okay. Thanks.

12 CHAIRPERSON BROWN: Any other questions?
13 Rosalie.

14 COMMITTEE MEMBER MULÉ: Thank you, Madam Chair.

15 I just want to make a couple comments. I want to
16 thank staff for incorporating the changes since November
17 into this latest version. Great improvement. And I
18 really appreciate all the work that you put into this.

19 I did go through Mr. Sweetser's letter and agree
20 with the recommendations that he's making. So I hope that
21 we can incorporate those, again, minor changes, but
22 they're important changes, into the hopefully final draft
23 of this.

24 And I'm just going through the Board of
25 Pharmacy's letter. So I can't comment on that right now.

1 But, again, I just want to thank you for all your work on
2 this. Thank you.

3 CHAIRPERSON BROWN: Member Laird.

4 COMMITTEE MEMBER LAIRD: Yeah, Madam Chair, just
5 in the interests of time. I also came on the Board since
6 then. I have a couple of general questions. And so
7 sometime before the Board meeting can we just coordinate,
8 and then I'll save everybody the time now.

9 Thank you.

10 CHAIRPERSON BROWN: We do have three speakers who
11 would like to speak to the item. The first is John Cupps.

12 MR. CUPPS: Good morning, Madam Chair. For the
13 record, my name is John Cupps and I'm a consultant to and
14 speaking on behalf of the Los Angeles County Sanitation
15 Districts on this particular item.

16 The Sanitation Districts does appreciate the
17 extensive efforts that staff has made in terms of
18 modifying the proposed criteria. And we certainly
19 understand and appreciate the statutory and regulatory
20 constraints that apparently preclude further changes to
21 the proposed model procedures.

22 Having said that, we still believe that the
23 procedures continue to present significant barriers to the
24 cost-effective implementation of programs at the local
25 level. And we would submit that it is highly unlikely

1 that many local agencies, given those barriers, are, in
2 fact, going to go forward and implement the model program
3 on a voluntary basis.

4 Thank you. And I'd be happy to answer any
5 questions if you have some.

6 CHAIRPERSON BROWN: I don't think so.

7 Thanks, John.

8 The next speaker is Kelvin -- and I'm sorry, I
9 can't read your -- Yamada.

10 MR. YAMADA: Madam Chair and members of the
11 Board. I apologize for not getting the written comments
12 into you. I'm the Manager of the Medical Waste Management
13 Program at Department of Public Health. And I already
14 talked to Jeff and Fernando. And we do appreciate the
15 work that they've done, them and Jim, on this.

16 But the only comments we had was there was
17 language struck from our law on how to actually label the
18 containers on here. We've talked to Jeff and Fernando
19 about it. We'll submit those in writing.

20 And for us -- and you were just talking about the
21 option to handle it either as medical waste or hazardous
22 waste. We think it's a good option. Medical waste is
23 going to be a little bit cheaper than handling it as
24 hazardous waste. So that option we want to keep in there.

25 So the labeling requirements for medical waste

1 would be out of our law. And so that's what we want to
2 add to both those sections.

3 So that's all the comments we have. Thank you.

4 CHAIRPERSON BROWN: Excellent. Thank you very
5 much. And thank you for your participation.

6 And our next speaker is Virginia Herold from the
7 Board of Pharmacy. And thank you for your letter.

8 COMMITTEE MEMBER MIGDEN: Madam Chair?

9 CHAIRPERSON BROWN: Yes.

10 COMMITTEE MEMBER MIGDEN: Have we known -- this
11 is a question to staff or you. We don't have money set
12 aside to help counties implement pharmaceutical waste
13 programs, someone -- or is there no fund to draw it from?

14 SUSTAINABILITY PROGRAM DIRECTOR LEVENSON: That's
15 correct at this time, Member Migden. We have our
16 Household Hazardous Waste Grant Program, which includes
17 things like sharps. But that's because the statutory --
18 the statute dealing with sharps specifically defined it in
19 a way that it's allowed under our HHW programs. The
20 pharmaceuticals, because they're defined differently, are
21 not eligible for HHW -- or Household Hazardous Waste
22 grants.

23 COMMITTEE MEMBER MIGDEN: Correct so far. But
24 that would be perhaps a subject of modification if we are
25 going to encourage compliance. We're going to have to

1 help along a little bit.

2 SUSTAINABILITY PROGRAM DIRECTOR LEVENSON:

3 Correct.

4 CHAIRPERSON BROWN: Well, in this piece of
5 legislation from Senator Simitian was just to put together
6 a model program. It wasn't to oversee. It was just to
7 develop a model program. And it was kind of, as you
8 probably recall, bandied about. We have no related
9 authority currently over the materials. But since we have
10 expertise in developing model programs, we were tasked
11 with working with the Board of Pharmacy, Department of
12 Public Health, and other related agencies just to develop
13 the --

14 COMMITTEE MEMBER MIGDEN: No, and I appreciate
15 that.

16 CHAIRPERSON BROWN: -- no money.

17 COMMITTEE MEMBER MIGDEN: But then we had the
18 public comment that's talking about impediments. So then
19 in some ways, you know, it's for naught --

20 CHAIRPERSON BROWN: Right.

21 COMMITTEE MEMBER MIGDEN: -- unless we can tackle
22 that aspect.

23 CHAIRPERSON BROWN: True.

24 COMMITTEE MEMBER MIGDEN: Turn off my mike.

25 CHAIRPERSON BROWN: Okay, Virginia. We'll let

1 you go forward.

2 MS. HEROLD: And I'll be brief --

3 CHAIRPERSON BROWN: Thank you.

4 MS. HEROLD: -- in the interests of lunch and an
5 otherwise long morning.

6 We just want to thank the Integrated Waste
7 Management Board staff as well. We've been working for a
8 year. We've come a long way. We could barely tolerate
9 each other at the beginning, because we spoke completely
10 different languages. We're talking drug diversion over
11 here, "Don't set up these bins. Don't let it just go on."
12 And they're talking, "We've got to minimize the cost here"
13 because, you know, this is going to drive the waste
14 system. So I think we've come a long way and we're very
15 close.

16 The few comments that I have in that letter are
17 relatively brief and very, I think, to the point.

18 The greatest issue we're going to have is we will
19 do regulations or possibly statutory modifications still
20 this year, so that once the guidelines are in place that
21 we have greater teeth in order to enforce this. Because
22 we want the public to have the option. We just don't want
23 it to become an issue for drug diversion.

24 And in San Diego last month, we had a doc setting
25 up recycling bins in his office. And what's he doing with

1 them? Giving the drugs out.

2 In November, when I gave you comments what
3 happened in Washington, we have a pharmacy up there with a
4 nice bin. What they're doing, a couple hundred thousand
5 dollars worth of drugs sold to patients unknowingly. And
6 when we walk into a pharmacy, we, as patients, don't want
7 to be subjected to drugs that have been out God knows
8 where.

9 So my comments today on behalf of the board kind
10 of aimed at that picture what it looks like in some of
11 these bins. And insofar as we can dump the container and
12 not have identifiable pills in that container, we think it
13 would go a long way towards an advantage towards long-term
14 preventing someone from reaching in. And that means
15 pharmacy staff, as well as anybody else, that's likely to
16 get into it.

17 So thank you very much. And, again, I'd like to
18 thank the Board for their assistance.

19 CHAIRPERSON BROWN: Thank you, Virginia, very
20 much.

21 A lot of issues. And I think SB 26 is intended
22 to address some of the statutory barriers that have been
23 highlighted through this year-long process.

24 Do we have any other questions?

25 COMMITTEE MEMBER KUEHL: I'm sorry. I have a

1 question for the last witness and a question for the
2 witness before last.

3 Is it -- I'm sorry, I haven't had enough time to
4 read the letter, brief and to the point as it is.

5 Is it the State Board's thought that pharmacies
6 should not be included among the facilities that can
7 collect this?

8 MS. HEROLD: Initially, that was our thought.
9 But in working with the staff and working with the other
10 groups, it became apparent this is a collection site where
11 you get the drug. It's accessible to the community. Our
12 concern is going to continue to be pharmacies are where
13 you get health care, and you don't usually set a recycling
14 center in the area where you've got health care. So we're
15 going to be working a little bit with pharmacies to kind
16 of help refine the actual placement and how this rolls
17 out. But we don't want the pharmacy staff to kind of sort
18 it or do anything to touch it.

19 But we also want some kind of security so that,
20 you know, you don't put it in a central area where there's
21 no oversight.

22 So to answer your question, it's yes and no.

23 COMMITTEE MEMBER KUEHL: Okay. Thank you. I
24 appreciate that --

25 (Laughter.)

1 COMMITTEE MEMBER KUEHL: -- having read Tolkien.

2 And I know that's how the elves always approached
3 everything.

4 (Laughter.)

5 COMMITTEE MEMBER KUEHL: The question to the
6 witness before last is just some clarification on what you
7 said. Did you indicate that, should we adopt this today,
8 we will have adopted something that change -- that has
9 within it a change to statutory law?

10 MR. YAMADA: No, it was -- I think it was
11 mistakenly struck, a part of it, that we took out of our
12 statute for labeling for medical waste.

13 COMMITTEE MEMBER KUEHL: Oh, I see. When you
14 said, "took out of our statute," you don't mean eliminated
15 from your statute?

16 MR. YAMADA: No, no, no.

17 COMMITTEE MEMBER KUEHL: You mean copied from
18 your statute.

19 MR. YAMADA: Yeah, we just -- we'll qualify our
20 statement in that they got -- which I know why it got
21 struck. We took it directly from our statute. And we
22 want to have the option for pharmacies to get rid of this
23 particular waste as medical waste, because it's a lot
24 cheaper, you don't have to get EPID numbers, don't have to
25 deal with the whole hazardous waste side of it.

1 CHAIRPERSON BROWN: So you just want it properly
2 labeled?

3 MR. YAMADA: Yes.

4 COMMITTEE MEMBER KUEHL: So where is that in the
5 Attachment --

6 MR. YAMADA: It was under page 4 or under number
7 5, I think, under "signage". We had put verbiage in there
8 directly from our statute.

9 But we'll qualify that as medical waste, because
10 you are going to have --

11 COMMITTEE MEMBER KUEHL: So if we adopt it as
12 presented -- as amended, we haven't harmed the --

13 CHAIRPERSON BROWN: Well, what we'll do is direct
14 staff to make the changes, circulate the new model
15 ordinance with the exact changes, and we'll vote on it at
16 the Board meeting.

17 COMMITTEE MEMBER KUEHL: Okay. So we'll vote it
18 out of Committee here --

19 CHAIRPERSON BROWN: We're not going to vote to
20 consent.

21 COMMITTEE MEMBER KUEHL: We'll take it out of --
22 we'll vote it out of Committee here if we all -- you know,
23 if we do that.

24 CHAIRPERSON BROWN: Yes.

25 COMMITTEE MEMBER KUEHL: And then --

1 CHAIRPERSON BROWN: It will go on consent. But
2 we can pull it if we're not satisfied with the changes of
3 the wording.

4 MR. YAMADA: See, our concern was if you don't
5 have it in there, they'll handle it as hazardous waste,
6 which makes it pretty cost prohibitive for a lot of people
7 to deal with it. If they have an option to deal with it
8 as medical waste, we thought that would be more
9 financially --

10 COMMITTEE MEMBER KUEHL: Okay. I'm still
11 confused then. If we adopt it today as is, and it's on
12 consent, then how does the change get made to satisfy what
13 you've said?

14 CHAIRPERSON BROWN: Well, we can direct staff.
15 But in the interests of clarification, we can direct staff
16 to make the changes to include the definition from the
17 Department of Public Health regarding labeling of medical
18 waste, circulate those changes, and then we can put it on
19 the agenda for Tuesday - no presentation necessary,
20 question and answer if there are any - and then we can
21 vote on it Tuesday.

22 COMMITTEE MEMBER KUEHL: We could also vote today
23 as intended to be amended kind of thing, I mean, so that
24 we indicate the Committee considered it and will give
25 direction to the staff.

1 Thank you.

2 CHAIRPERSON BROWN: Clear as mud.

3 I think what we'll do is just make the changes,
4 circulate it, and then we'll vote on Tuesday. We don't
5 have to vote it out today to the consent agenda. It's
6 just as easy.

7 SUSTAINABILITY PROGRAM DIRECTOR LEVENSON: Given
8 that Friday is a furlough day, we will try to get those
9 changes made this afternoon, distribute it tomorrow, and
10 sent to Tracey for posting on the website some time
11 tomorrow.

12 CHAIRPERSON BROWN: Thank you.

13 SUSTAINABILITY PROGRAM DIRECTOR LEVENSON: Yeah,
14 we'll use underline and double strikeout or something to
15 indicate the new changes.

16 CHAIRPERSON BROWN: Okay. Thank you.

17 Any other questions on Item 10?

18 Okay. Without objection, then we will move to
19 Agenda Item 11, Allocation Proposals to be funded from the
20 Used Oil Recycling Fund.

21 Howard, I think that's you.

22 SUSTAINABILITY PROGRAM DIRECTOR LEVENSON: Thank
23 you. Our last item for the day.

24 (Thereupon an overhead presentation was
25 Presented as follows.)

1 SUSTAINABILITY PROGRAM DIRECTOR LEVENSON: This
2 is our annual item, in which we review activities related
3 to the California Oil Recycling Enhancement Act, and then
4 we seek your consideration of funding allocations for the
5 specific category of statewide education and research --
6 and outreach activities.

7 As you know, statute defines very clearly how
8 used oil funds are allocated. And the amount of
9 discretionary funds for this research and education
10 outreach category is calculated after funds have been
11 allocated to the first three categories that are listed in
12 Attachment 1.

13 Over the last few years, as you know, we've had
14 flat or even declining revenues in the oil fund. So as a
15 result, by the time we get through the statutory formula,
16 this year we have very little money left over in that
17 discretionary category, just a little over a hundred
18 thousand dollars.

19 One of our key historical activities in this
20 category has been continued education and outreach to our
21 core stakeholders under the program, which are the local
22 jurisdictions that are implementing used oil collection
23 programs and also outreach to our certified collection
24 centers. And so, as we'll describe, we're recommending
25 that the bulk of the funds be allocated to that activity.

1 At the same time, we do want the Board to be
2 aware that entities, such as the Western States Petroleum
3 Association, have expressed interest in a life-cycle
4 analysis on used oil. And, you know, as I've indicated,
5 such a study would -- we only have a hundred thousand
6 dollars. We're recommending that that go to the
7 conference.

8 There are a number of studies on used oil
9 life-cycle analyses to generally support the idea of
10 re-refining. We can go over some of those. There are
11 certainly flaws in those, and we always welcome more
12 information on life-cycle impacts. But we're not able to
13 recommend funding for that at this time.

14 WSPA and API, American Petroleum Institute, have
15 indicated that they might fund such a study on their own,
16 but invite us and the Department of Toxic Substances
17 Control to participate in some manner.

18 If that is the case - and I think we'll hear from
19 some of the representatives of the industry today - our
20 big concern is transparency and accountability. And so we
21 provided you with our thinking in the item about the kinds
22 of conditions under which we might be able to participate
23 in such a study to ensure that there's a public
24 transparency.

25 So I'd like to turn it over to Emily Wang to give

1 you a quick rundown of the used oil fund, the core
2 activities that we've taken on during the last year. And
3 I know there are speakers.

4 This is Emily's first presentation. As usual, I
5 ask for mercy on our first presenters. And I'll turn it
6 over to Emily.

7 MS. WANG: Hi. My name's Emily Wang. I'm
8 working with the Sustainability Program. And I'm here to
9 present the allocation item.

10 I'm going to first start talking a little bit
11 about some of the projects and contracts that are underway
12 at the used oil program. And I'll move on to the
13 allocation for the 2008-9 fiscal year and talk a little
14 bit about possible guidelines for an LCA.

15 CHAIRPERSON BROWN: Okay. And you can do the
16 same thing we asked of Jeff. You don't have to read
17 what's already in the item here, just kind of highlight,
18 so that we can provide ample time for the speakers to
19 participate as well.

20 MS. WANG: Okay.

21 CHAIRPERSON BROWN: Thanks, Emily.

22 MS. WANG: No problem.

23 --oOo--

24 MS. WANG: In 2008 -- oh, the used oil program
25 was established in 1992 by the California Oil Recycling

1 Enhancement Act. And this program has just been largely
2 unchanged since then. So we decided in 2008 to have an
3 evaluation project. We sent out surveys to all the
4 jurisdictions and we helped focus groups. And here's a
5 brief summary of some of the ideas that came out through
6 that process.

7 I should mention that a lot of these ideas will
8 require statutory changes in order to be implemented.

9 I think the key element that was overwhelmingly
10 favored was changing the current grant system to a payment
11 system, which would greatly reduce a lot of the
12 administration for both local and program staff here at
13 the Board.

14 Another item was combining the current --
15 changing the current competitive grant structure. Right
16 now there are three different competitive grants. And we
17 received fewer and fewer applications in past years, so
18 the idea was proposed to combine the three categories into
19 one.

20 COMMITTEE MEMBER MIGDEN: Are those the
21 statutory -- beg your pardon. Are you talking about
22 statutory changes that would be made to implement the
23 suggestions that we've been offered?

24 MS. WANG: These suggestions, in order to be
25 implemented, would require some sort of statutory change.

1 COMMITTEE MEMBER MIGDEN: So that's what you're
2 talking about?

3 CHAIRPERSON BROWN: Howard.

4 SUSTAINABILITY PROGRAM DIRECTOR LEVENSON: The
5 first bullet would require a statutory change. The second
6 bullet we've already accomplished by Board policy
7 direction. And some of the other bullets on there would
8 also -- I'm looking at them -- but a couple of them would
9 also require statutory change.

10 CHAIRPERSON BROWN: Yeah --

11 COMMITTEE MEMBER MIGDEN: That would be helpful
12 to know that.

13 CHAIRPERSON BROWN: Yeah, delineate those as you
14 go through them, because incentive payments and payment
15 system all need statutory change how we deliver the grant
16 programs we've done administratively -- or policy-wise.

17 COMMITTEE MEMBER MIGDEN: Thank you.

18 MS. WANG: So the concept of raising the
19 incentive payment or limiting incentive payments to DIY,
20 or do it yourself, oil only, those suggestions would also
21 require statutory changes.

22 Support for re-refined oil, there's been a great
23 deal of -- a lot of the jurisdictions support the idea of
24 promoting re-refined oil. And that wouldn't require a
25 statutory change. But their main concern is that

1 currently the product is not widely available to the
2 public. And they're unwilling to promote something that
3 the public can't access easily.

4 Likewise, the statewide branding of the used oil
5 program would help send a stronger unified message.
6 That's not a statutory change. That's a program change we
7 can make.

8 They'd also -- jurisdictions would also like to
9 see statewide contracted services, which would help reduce
10 some of their administration.

11 --o0o--

12 MS. WANG: So here's a list of the current
13 contracts we have going under the used oil program. I'm
14 not going to read through all of them.

15 I should mention that the high-efficiency oil
16 filter study and the used oil recycling study were both
17 completed in 2008, and those reports are available on line
18 on the Board website.

19 These projects have all been funded under the
20 used oil fund's education and outreach category from
21 previous years. Unfortunately, this coming year we have
22 reduced the amount of funding, so we will not be producing
23 additional contracts in this item.

24 --o0o--

25 MS. WANG: I just have here the list of the

1 funding priorities according to statute. You can see the
2 Category 5, which is the last category, is the statewide
3 education and outreach funding that we're going to be
4 discussing in this item.

5 --o0o--

6 MS. WANG: Oh, I also wanted to note that this
7 year Category 4 according to -- per Resolution 2008-180,
8 there will be no competitive grants for the 2008-2009
9 fiscal year.

10 CHAIRPERSON BROWN: You might need to explain
11 that.

12 SUSTAINABILITY PROGRAM DIRECTOR LEVENSON: In the
13 past -- yes, Madam Chair. In the past, we've offered the
14 competitive grants either on an alternating cycle or --
15 last year all the grants were -- competitive grants were
16 offered together. Because we had declining applications
17 and we knew that there were funding issues, we brought an
18 item to the Board, I don't remember exactly when, but last
19 year, suggesting that we not fund the competitive grants
20 this year, which you agreed to. So that allows us to move
21 into Category 5.

22 MS. WANG: Last year, in 2007-08 we had \$816,000
23 available to allocate for statewide education and outreach
24 efforts. This year, because of declining revenues, we
25 only have \$109,000 available. As such, we're not

1 proposing any contract allocations. And we are proposing
2 that the bulk of the funds, 104,000, go to support our
3 used oil annual conference. It provides a great
4 opportunity for local jurisdictions and other stakeholders
5 to learn about new programs, exchange ideas, and network.

6 And given the proposed reduction in the 2009-10
7 Governor's budget of the block grants from ten million to
8 six million for that fiscal year, we think that it'll
9 become an even more valuable tool for local jurisdictions,
10 since they'll have to be more creative in using their
11 reduced funds.

12 We've also included a Creek Week Sponsorship.
13 It's an event that we've sponsored in previous years, and
14 it helps to increase the publicity and education about
15 used oil as it relates to water quality.

16 --o0o--

17 COMMITTEE MEMBER MIGDEN: Madam Chair?

18 CHAIRPERSON BROWN: Yes, Member Migden.

19 COMMITTEE MEMBER MIGDEN: A hundred thousand
20 dollars to go to the conference?

21 MS. WANG: Yes, that's been the obligation.

22 COMMITTEE MEMBER MIGDEN: Are we paying for
23 others to go?

24 SUSTAINABILITY PROGRAM DIRECTOR LEVENSON: That's
25 correct, Member Migden. A lot of this money is used to

1 provide the travel and the registration, and then for the
2 local jurisdictions and certified centers, as well as to
3 bring in some speakers for training opportunities, and
4 rent a venue.

5 COMMITTEE MEMBER MIGDEN: All right. Thanks.

6 CHAIRPERSON BROWN: I mean, I think -- out of
7 context, I think that in a two-line sentence I'll say we
8 did last year during our contracts looked at the contracts
9 that we entered into with CSUS, and we were able to cut
10 our conference budget by combining all of the conferences
11 that we provide for local jurisdictions by, I think as
12 much as, a third. We restored ZIF funds for RMDZ loan
13 applicants to be able to come to the conference, because
14 that's how we actually do our local assistance, is by
15 providing these conferences and training. And with them
16 being strapped.

17 COMMITTEE MEMBER MIGDEN: No, just asking.

18 SUSTAINABILITY PROGRAM DIRECTOR LEVENSON: And as
19 I recall, we haven't -- this conference attracts roughly
20 300 attendees. It might even be more than that. So it's
21 a huge conference.

22 CHAIRPERSON BROWN: So, yeah, 300 people for a
23 hundred thousand.

24 COMMITTEE MEMBER MIGDEN: That's fabulous. Well,
25 that's great to amplify your presentation. You brag on

1 it.

2 CHAIRPERSON BROWN: Yeah, take credit. Come on,
3 guys.

4 Okay. Go ahead.

5 --o0o--

6 MS. WANG: While we don't have funds available
7 for another contract, some stakeholders have suggested the
8 possibility of conducting a more fully comprehensive
9 life-cycle analysis of used oil. We welcome the
10 opportunity for more information on environmental and
11 economic impacts of used oil. And should one go forward
12 with outside funding, we are proposing these guidelines
13 for staff to work with such a project.

14 One, we believe that the study should involve and
15 inform all stakeholders and be as fully comprehensive as
16 possible.

17 And, secondly, we believe that transparency and
18 accountability are key to creating a good product.
19 Perhaps the use of a neutral facilitator for overseeing
20 the process or to provide critical external review would
21 help. And we would appreciate the use of a qualified
22 contractor acceptable to all parties.

23 --o0o--

24 MS. WANG: With that, we have some
25 recommendations. Staff recommends Option 1, to adopt the

1 resolution regarding the funding for the Used Oil
2 Allocation Conference and for the Creek Week sponsorship;
3 and your requesting direction regarding staff involvement
4 with the possible future LCA.

5 Thank you very much.

6 CHAIRPERSON BROWN: Thank you, Emily. Excellent
7 job.

8 We do have a couple of speakers. So if we
9 have -- maybe we'll take the speakers first and then ask
10 questions of the speakers.

11 Are there any speakers -- I have five speakers.
12 And we'd like to separate the allocation item from the
13 staff request for direction. Are there any speakers that
14 want to speak just to the 109,000 allocation for the
15 conference and Creek Week?

16 You're all here to discuss the LCA? Okay.

17 MR. CUPPS: Actually, there's a third option --

18 CHAIRPERSON BROWN: John raised his hand. You
19 want to talk about both.

20 Or you have a third one? Because we'd like to
21 separate them out. And we'd like to take and discuss
22 and --

23 MR. CUPPS: Okay. I understand that. But as I
24 understood the agenda item, there were really three
25 distinct issues. One is the allocation item, which I have

1 no interest to comment on. The other is the LCA item,
2 which again I have no interest to comment on.

3 But the third issue that I thought was agendized
4 for this agenda item was really sort of a general
5 discussion of the direction of the program, and that I do
6 have --

7 CHAIRPERSON BROWN: No, that's not part of the
8 agenda item.

9 MR. CUPPS: Okay.

10 CHAIRPERSON BROWN: At least that -- my
11 understanding is that that's not part of the agenda item.

12 SUSTAINABILITY PROGRAM DIRECTOR LEVENSON: Only
13 in a sense that we had some of the results of the grant
14 evaluation presented in the item. And most -- as Emily
15 presented in one of the earlier slides, most of those are
16 statutory changes that would be required. So I'm not sure
17 if that's what John was talking about.

18 CHAIRPERSON BROWN: Yeah, we're not -- John, I
19 apologize if there was a misunderstanding in presenting
20 the item. But we're not looking for an overall discussion
21 about the direction of the used oil program currently.
22 We're looking at an allocation item, and part of it was an
23 LCA and whether we participate in it.

24 So given the fact that all of the speakers that
25 are here want to talk about the second bullet here, which

1 is the direction to staff on LCA, let me take Option 1 and
2 see if there's any questions regarding the allocation.

3 May I have a motion then.

4 COMMITTEE MEMBER KUEHL: Move resolution 2009-25.

5 COMMITTEE MEMBER MULÉ: Second.

6 CHAIRPERSON BROWN: It's been moved by Member
7 Kuehl and seconded by Member Mulé.

8 Kristen, can you call the roll.

9 EXECUTIVE ASSISTANT GARNER: Kuehl?

10 COMMITTEE MEMBER KUEHL: Aye.

11 EXECUTIVE ASSISTANT GARNER: Laird?

12 COMMITTEE MEMBER LAIRD: Aye.

13 EXECUTIVE ASSISTANT GARNER: Migden?

14 COMMITTEE MEMBER MIGDEN: Aye.

15 EXECUTIVE ASSISTANT GARNER: Mulé?

16 COMMITTEE MEMBER MULÉ: Aye.

17 EXECUTIVE ASSISTANT GARNER: Petersen?

18 COMMITTEE MEMBER PETERSEN: Aye.

19 EXECUTIVE ASSISTANT GARNER: Brown?

20 CHAIRPERSON BROWN: Aye.

21 The resolution passes. And we'll put that on
22 fiscal consent.

23 And now we have speakers on staff's request for
24 direction on future involvement in a life-cycle analysis.
25 And that's part of Attachment 4.

1 Our first speaker is Mark Phariss.

2 And I will -- if I could re-mention what I did
3 before. If you've provided material or written material
4 for us, you don't need to read it to us again. But we'd
5 be very happy to have any additional information that you
6 want to provide, because you're bringing up a lot of stuff
7 right there.

8 MR. PHARISS: I promise not to go through it.

9 CHAIRPERSON BROWN: All right. Thanks, Mark.

10 MR. PHARISS: Good morning, Madam Chair and
11 fellow Board members. My name is Mark Phariss, Vice
12 President of Safety-Kleen, the nation's and North
13 America's largest collector and refiner of used oil.

14 I want to thank you for holding this hearing on
15 the LCA.

16 Safety-Kleen, while willing to cooperate with the
17 Board if it chooses to proceed forward with an LCA, and
18 certainly not concerned about the conclusions that an LCA
19 will reach, nevertheless does not believe an LCA is
20 necessary; and, in fact, fears conducting an LCA will, in
21 fact, be used to delay necessary action to encourage more
22 re-refining.

23 Let me explain.

24 In 2005, after a turbulent and horrible hurricane
25 season that increased fuel prices and reduced refining

1 capacity, Congress enacted various measures, including
2 some tax incentives to encourage more refining capacity.
3 That was the 2005 Energy Policy Act. Safety-Kleen
4 requested that re-refiners be included in that act. But
5 support was opposed by some on the basis that further
6 study of re-refining was necessary.

7 As a result, Congress required the Department of
8 Energy to study the energy and environmental benefits of
9 re-refining and report back to Congress.

10 The DOE took one and a half years to conduct that
11 study. It reviewed all LCAs and other reports up to that
12 period of time, some of which are on here.

13 Just for the record, I have about eight
14 notebooks -- fat notebooks sitting on my credenza in my
15 office of all these various studies and reports. I'm not
16 sure that includes them all. Sadly, I've read them all,
17 which tells you something about my personal life.

18 (Laughter.)

19 MR. PHARISS: But, nevertheless, the DOE reviewed
20 all of those reports. They also received input from all
21 the stakeholders, many of which are here today. And that
22 included Evergreen, DK, NORA, API, and Safety-Kleen.

23 After conducting that study and putting out first
24 a preliminary report and then a final report, the DOE --
25 and I had to point out the Bush Administration's DOE

1 concluded that, quote, recycling used oil only for its
2 heating value is a sub-optimum disposition compared to
3 re-refining it into lube base oil, the highest value
4 disposition.

5 They also concluded that re-refining is the
6 process that, quote, offers the maximum energy
7 conservation and environmental benefits, unquote.

8 Now, the Board is being asked to perform another
9 study, this on the heels of last year's Lawrence Livermore
10 report. Safety-Kleen, with, you know, all due respect to
11 our friends in the industry who are supporting an LCA,
12 believes now is the time for action, not more studies or
13 reports. No state provides incentives for re-refining.
14 The federal government does not provide incentives for
15 re-refining.

16 California and the Board has the opportunity now
17 to lead the way. We encourage you to do so.

18 Thank you very much.

19 CHAIRPERSON BROWN: Mark, thank you.

20 Can you hold there for one second. We have some
21 questions.

22 COMMITTEE MEMBER KUEHL: I think -- when you were
23 reading the conclusion of the DOE report, I didn't
24 catch -- did you say sub-optimal? Could you go through
25 that sentence one more time.

1 MR. PHARISS: Oh, sure. It said -- the quote was
2 "recycling used oil only for its heating value is a
3 sub-optimum disposition compared to re-refining."

4 COMMITTEE MEMBER KUEHL: Okay. Thank you very
5 much.

6 CHAIRPERSON BROWN: Thank you, Mark.
7 Any other questions?

8 MR. PHARISS: See, I didn't read all of those for
9 you.

10 (Laughter.)

11 CHAIRPERSON BROWN: Thank you, Mark.
12 Scott Parker.

13 MR. PARKER: I don't have any paper quite like
14 Mark did.

15 My name is Scott Parker. Good afternoon. I'd
16 like to thank the Board for the opportunity to address
17 you. I am the Executive Director of NORA, which is an
18 association of responsible recyclers. We were previously
19 known as the National Oil Recyclers Association.

20 For 25 years we have represented companies that
21 are involved in all forms of recycling. We represent
22 currently 229 companies nationwide, many of which are here
23 in California.

24 Although not representative of each of our
25 members' views, the NORA Board of Directors last week made

1 the decision to support a comprehensive life-cycle
2 analysis of the used oil management system.

3 California has demonstrated an active involvement
4 related to used oil policy. As California looks to future
5 policies related to used oil, the State should have the
6 best information available when making these decisions.
7 That is why I'm here today to support the staff's
8 initiative to become a stakeholder in a potential
9 life-cycle analysis of the management of used oil.

10 Each of the life cycles related -- excuse me.
11 Each of the life-cycle-related research projects to date,
12 regarding the used oil management system, has been
13 insufficiently broad in terms of scope and stakeholder
14 involvement. That's a key point.

15 NORA believes that the proposed guidelines
16 related to the report from staff addresses these two
17 inadequacies:

18 The proposal, in general, states a study should
19 involve and inform all stakeholders and be as up-to-date
20 and comprehensive as possible by including the
21 manufacturing use and end-of-life phases to show under
22 what conditions certain methods are preferred.

23 We look forward to working with the staff of the
24 DTSC, the IWMB to develop a more detailed proposal for
25 your consideration.

1 In addition, we also look forward to working with
2 all potential stakeholders, including NGOs, oil product
3 marketers and manufacturers, collectors, recyclers,
4 re-refiners, and other end-users.

5 I'd like to thank you for your time. I'd be
6 happy to answer any questions you may have.

7 CHAIRPERSON BROWN: Thank you, Scott.

8 Any questions for the speaker?

9 Okay. Thank you very much.

10 MR. PARKER: Thank you.

11 CHAIRPERSON BROWN: Our next speaker is David
12 Arrieta from WSPA.

13 MR. ARRIETA: Good afternoon, Board members. My
14 names is David Arrieta. I'm here representing the Western
15 States Petroleum Association, the petroleum industry that
16 produces, refines, and markets petroleum products across
17 the five western states and Hawaii.

18 We are here in support of the concept in the
19 staff proposal for the criteria that would be -- the
20 guidance that you would give them should a stakeholder
21 process develop to do a life-cycle analysis.

22 As you and the State of California move into new
23 forums, such as the Extended Producer Responsibility
24 Initiative, the Green Chemistry Initiative, and to a
25 greater extent to the climate change initiatives, we

1 believe that a comprehensive broad stakeholder-driven
2 process that develops the science behind the life cycle of
3 what -- of the used oil waste benefit system is going to
4 be really important for the state as it moves forward in
5 all these areas.

6 Thank you.

7 CHAIRPERSON BROWN: Thank you very much for being
8 here.

9 Our next speaker, John Cupps.

10 I see you back there. You said you -- oh, you
11 said you weren't interested in the LCA.

12 MR. CUPPS: Right.

13 CHAIRPERSON BROWN: Okay. Skip John. John's
14 already spoken to the item not agendized.

15 (Laughter.)

16 CHAIRPERSON BROWN: I'm sorry. I -- we'll talk
17 afterwards.

18 Bob Sulnick.

19 MR. SULNICK: Thank you. Madam Chair, members of
20 the Board. My name is Robert Sulnick. I'm here
21 representing Evergreen Oil. Evergreen is one of the two
22 re-refiners of used oil in the United States. The other
23 being Safety-Kleen.

24 We are opposed to a life-cycle analysis for the
25 following reasons: We believe that in an era of shrinking

1 oil reserves, dependence on foreign oil, and environmental
2 concerns, comparing closed-loop re-refining to burning
3 used oil is like comparing apples to oranges. They are
4 two very different kinds of things. Re-refining conserves
5 the strategic nonrenewable resource, converting it to a
6 renewable resource. Burning is a one-time use of that
7 strategic resource.

8 The comparisons to -- of re-refining to burning
9 used oil and of re-refining to creating lube oil from
10 virgin crude has been done extensively over the past 15
11 years; in each instance the conclusion being that
12 re-refined oil is superior from an environmental
13 perspective to either burning or creating lube oils from
14 virgin crude.

15 In this regard, it takes one-third less energy to
16 re-refine than to create lubes from virgin crude. By
17 re-refining the nation's 1.3 billion gallons of waste oil
18 a year, we would save between 1.3 and 2.5 million gallons
19 a day of oil, which is half the daily output of the
20 Alaskan pipeline. The United States EPA said that for one
21 gallon of -- one gallon of re-refined oil creates 2.5
22 quarts of used oil, whereas it takes 42 gallons of crude
23 to create that same 2.5 quarts of lube oil. I mean the
24 list goes on.

25 DOE has concluded that re-refining is the best

1 solution from both energy resource preservation and
2 environmental conservation perspectives. Recent studies
3 in Europe comparing the greenhouse gas emissions of
4 re-refined to refining have concluded a 42 percent savings
5 of greenhouse gas emissions by the re-refining process.

6 State of Massachusetts did a study showing that
7 by using re-refined oil in their fleets, they saved 270
8 tons a year of greenhouse gas emissions. California
9 Department of General Services has concluded that
10 re-refining is the highest and best use of the resource,
11 which is a non-renewable resource.

12 Specifically with regard to life-cycle analyses,
13 they've been done by the University of Tennessee, the Life
14 Cycle Group. The DTSC has done one. There have been
15 life-cycle analyses done by University of California,
16 Berkeley and CalEPA. There have been life-cycle analysis
17 done by Japan and Australia and Europe. And in each
18 instance, the conclusion has been that re-refined oil is a
19 preferable use of the used oil resource or that re-refined
20 oil takes less energy than creating lubricating oils from
21 virgin crude.

22 I think it's important to note that the areas of
23 impact that have been studied in these life-cycle analyses
24 include fossil resources, global warming, acidification,
25 neutrification, carcinogenic risk potential, and fine

1 particulates. That is about as comprehensive as you can
2 get. There are just innumerable studies that all reach
3 the same conclusion. And so it seems to us that it makes
4 no sense to spend time and resources, you know,
5 reconsidering this issue.

6 The other thing that I'd like to point out is
7 that there is a political context to this. And I don't
8 think it's irrelevant.

9 Last year, there was legislation in the
10 Legislature which wanted to incentivize the re-refining of
11 used oil and stop the exportation of around 35 million
12 gallons of essentially black oil out of state for burning.

13 This year, Assemblyman Feuer is introducing
14 legislation to again, you know, put that issue in a
15 legislative context. We believe, as does Safety-Kleen,
16 that should a life-cycle analysis be undertaken, it would
17 become a vehicle for delay of that legislation. And given
18 the critical importance of the used oil resource and of
19 oil in general, in this particular climate of dependence
20 on foreign oil, we would hope that the Board does not
21 consider such a thing, and then would pay particular
22 attention to the California companies, all of whom oppose
23 a life-cycle analysis. Whereas, the companies in support
24 of the life-cycle analysis have kind of an out-of-state
25 vested interest in our resource moving from California to

1 other states.

2 Thank you very much.

3 CHAIRPERSON BROWN: Thank you, Mr. Sulnick.

4 Our last speaker is Mark Murray.

5 MR. MURRAY: Thank you, Madam Chair, members.

6 Mark Murray, the Executive Director of the environmental
7 group, Californians Against Waste. I haven't had a chance
8 to testify before the new members. Welcome.

9 I'm here in support of the staff recommendation
10 to obviously move forward with the funding allocation that
11 you had, and to specifically oppose any funding allocation
12 for a life-cycle analysis.

13 Now having said that, I have no objection to the
14 industry continuing to do whatever kind of analysis they
15 want to do. I'm not afraid of any life-cycle analysis
16 when it comes to this issue. But I think that Mr. Sulnick
17 made a point that is very important to recognize. You
18 guys are a lot smarter than me, so I know it. You didn't
19 miss it. But you've been making -- you've been looking at
20 this issue for several years. U.S. EPA, Department of
21 Energy and your Board have all concluded that re-refined
22 is the way to go.

23 Now, the industry -- the petroleum industry in
24 desperation is looking for one more way of blocking the
25 policies that you've highlighted at the beginning of this

1 meeting in terms of the direction you want to go, in terms
2 of incentives for re-refined. Now, not only do we need
3 you to not fund this study, it doesn't make any sense, at
4 this point in time, for you to fund another life-cycle
5 analysis.

6 But we need a statement from this Board making it
7 clear to the policy makers in the Legislature that need to
8 make the statutory changes to implement your policy
9 recommendations that a life-cycle analysis is not needed
10 in order to make further policy decisions.

11 So that's the kind of statement, frankly, that we
12 need from the Board in order to implement your
13 recommendations. We're not going to be able to have this
14 detailed policy discussion in policy committees. They're
15 not going to have the patience for listening to the debate
16 over the industry studies that have existed so far versus
17 the government studies that existed.

18 So I'm hoping that this Board will actually take
19 the initiative and issue a statement making it clear that
20 the information -- that there is sufficient information at
21 the federal level and at the State level for us to move
22 forward with a more focused policy that creates incentives
23 for re-refined oil.

24 Again, we look forward to partnering with the
25 Waste Board in implementation of your recommendations.

1 But I think we're going to need a statement that a
2 life-cycle analysis, funded by the State, is not necessary
3 at this time. And I appreciate your efforts.

4 I would also point out that several years ago --
5 when you look at the Public Resources Code with regard to
6 the definition of recycling, Public Resources Code does
7 not even consider the burning for fuel of resources as
8 recycling. In terms of the governing statute for this
9 Board, Public Resources Code doesn't even count it as
10 recycling. And unfortunately, we've been continuing to
11 subsidize the burning of this resource in other states for
12 years. That's a practice that we need to put an end to.

13 I would point out that the extremely astute
14 Chairpersons of the Assembly and Senate Budget Committees
15 three years ago prohibited this Board from spending its
16 resources on resource -- research of burning resources for
17 fuel. And I think that that's probably the same answer
18 you would get from the Legislature this go-round. But
19 they would still benefit from your perspective on any need
20 for a life-cycle analysis at this point.

21 Thanks for the time.

22 CHAIRPERSON BROWN: Thank you.

23 I think that he was giving you a compliment. The
24 other side -- let me just make one point of clarification
25 though.

1 This is not an allocation for a life-cycle
2 analysis. The Board is not considering any funding today
3 for any sort of a life-cycle analysis. It's guidelines
4 for the industry. But I appreciate that.

5 I think that Member Laird had a question of
6 Howard for clarification. We may have questions.

7 COMMITTEE MEMBER LAIRD: I did. I had a question
8 and then a comment. And just for clarification, the
9 Senate Budget Chair three years ago was Wes Chesbro.

10 (Laughter.)

11 CHAIRPERSON BROWN: Thank you for saving me on
12 that one.

13 COMMITTEE MEMBER LAIRD: Who knows who the other
14 one was.

15 (Laughter.)

16 COMMITTEE MEMBER LAIRD: So, Mr. Levenson, my
17 question is, is one of the speakers referred to the staff
18 proposal, as if the staff had a proposal. And I would
19 like you to clarify what it really is.

20 SUSTAINABILITY PROGRAM DIRECTOR LEVENSON:

21 Certainly, Member Laird.

22 The brief response is that there is no staff
23 proposal for a life-cycle analysis study.

24 The longer response is that since the Lawrence
25 Livermore report was delivered and reported to the Board

1 roughly a year ago - I can't remember exactly - there's
2 been a number of discussions that have ensued among all
3 the various stakeholders who you see out in the audience,
4 including WSPA and API, who had concerns about that study.
5 And, you know, it's been our responsibility to engage in
6 those discussions with them.

7 What we have come to realize or come to suggest
8 in the item is simply, if there is an industry-sponsored
9 study, some sort of life-cycle analysis, and the industry
10 asks us to participate, those are the conditions that we
11 thought would be useful to participate under, so that
12 whatever study it is is available to the public, has
13 transparency and so forth.

14 But we're not proposing a life-cycle analysis to
15 you today.

16 COMMITTEE MEMBER LAIRD: And, Madam Chair, to
17 make a comment in response to that, you know, I appreciate
18 the framework you laid out. And it's very hard to say you
19 would oppose something that says it will inform people, it
20 will be accountable, it will be transparent, everybody
21 else in the universe will pay for it but us, it will
22 involve everyone that has an opinion on this and there
23 will be a neutral facilitator. So it's very hard to say
24 that's not a good idea.

25 But I'm very skeptical of the study maybe saying

1 it a different way, which is what's in front of us is a
2 basic policy issue. And we have to weigh issues of, for
3 example, toxicity in terms of this versus the issue of
4 recycling in that loop. And that what would happen is is
5 you'd have a study that has all these groups with their
6 own interests pursuing the study. And at the end of this,
7 it might be the majority of the people had more interest
8 in burning it off because that's just who it is.

9 But however it came back to us, we would have the
10 same policy decision, which is what is the toxicity and
11 what is the benefit to recycling, completely separate from
12 the code, sort of pushing us toward recycling. And I'm
13 concerned that even if it were pursued under all that
14 rubric that you've laid out, it might give the imprimatur
15 of the Waste Board as somebody that, in effect, is
16 endorsing or cooperating with this process. And while I'm
17 not against any study, the point is is that any study has
18 already been done over and over and over again.

19 So I would think that more power to anybody that
20 wishes to do more studies. But I don't think we
21 necessarily have to participate, because we have a charge
22 and we are informed. And I think we understand what the
23 policy decision is going to be, and it's still going to be
24 the same thing when it comes in front of us.

25 And so, you know, that is just my general view on

1 the matter.

2 CHAIRPERSON BROWN: Thank you, Member Laird.

3 Member Kuehl.

4 COMMITTEE MEMBER KUEHL: Oh, thank you, Madam
5 Chair. I'd like to associate myself with the remarks of
6 my colleague, Member Laird.

7 A couple of things. I remember -- it was what
8 Mr. Murray said about burning not being recycling. I
9 remember when there was a bill on the floor of the
10 Assembly, not about oil, but other kinds of recycling, and
11 burning was to be included. And then Assembly Member
12 Debra Bowen stood up to make her speech and set fire to
13 her speech while she was speaking. And while we watched
14 the speech burning up with great horror while she was just
15 reading it, when it got to what looked like a very
16 dangerous place she said, "This bill would say that this
17 was recycling." And we're just all going, "Deb, put it in
18 the water, blow it out." So needless to say we --

19 COMMITTEE MEMBER LAIRD: And she moved on to a
20 higher office.

21 (Laughter.)

22 COMMITTEE MEMBER KUEHL: She showed the same
23 intelligence then I think that she's showing as Secretary
24 of State.

25 Secondly, I was disappointed, Mr. Murray, to hear

1 you say that you didn't think committees in the
2 Legislature would give the kind of attention to this issue
3 that we would, especially since I think Mr. Chesbro is
4 chairing the Toxics Committee.

5 But really, seriously, I think -- first of all, I
6 do not support participation by this Board in another
7 study. I listened to the presentations by all of those
8 involved and reported them as ex parte communications.
9 And I still agree with what the Board said originally
10 before we were here, which is, I think, re-refining is the
11 best use and I don't believe we need another study.

12 In addition, I would support, if there's a
13 majority to do so, -- and we need to have the discussion -
14 an indication to the Legislature that we continue to
15 support that as a priority. We don't have to say that we
16 support a particular bill. And I believe that even though
17 the three of us are not allowed to lobby, we are allowed
18 to make statements that the Board agrees with. And I
19 would certainly be willing to go to the Legislature at
20 committee meetings and say, "The Board continues...", if
21 that is the case, "...to support re-refining as the
22 highest and best use," which I think would also accomplish
23 it. But I'd rather see a real letter so all the members
24 know.

25 So I would support that, Madam Chair, if that's

1 something the other members would support.

2 CHAIRPERSON BROWN: Thank you, Member Kuehl.

3 Gary.

4 COMMITTEE MEMBER PETERSEN: Thank you, Madam

5 Chair.

6 My two colleagues have said this much better than
7 I could. But as walking through the process of AB 939 and
8 the hierarchy of reduce, reuse, recycle, and this is where
9 we're going, that re-refining is the highest and best use
10 of where we're going in the State of California. Don't
11 burn resources; recycle them. So I'm in favor of what we
12 just discussed or what was just said, that we don't need
13 another study.

14 And, again, a message to the Legislature in a
15 technical way, fine, I'd be willing to help.

16 Thank you.

17 CHAIRPERSON BROWN: Rosalie.

18 COMMITTEE MEMBER MULÉ: Thank you, Madam Chair.

19 I just want to make a brief comment.

20 I do support Member Kuehl's recommendation. And
21 I also feel that we have numerous life-cycle analysis
22 studies out there. I'm not sure that we need another one.
23 And that's my question to staff, Howard.

24 Howard, excuse me.

25 SUSTAINABILITY PROGRAM DIRECTOR LEVENSON: I'm

1 sorry. Would you repeat --

2 COMMITTEE MEMBER MULÉ: I just want to ask you,
3 do you feel that we need another life-cycle analysis?

4 SUSTAINABILITY PROGRAM DIRECTOR LEVENSON: Okay.
5 I'm going to answer that in two ways:

6 One, as a technical nerd, more information is
7 always useful.

8 However, there are a number of studies, the DOE
9 study, in particular, and other studies, that come to the
10 conclusions that re-refining is, on whole, a greater and
11 higher use. And we're fine with that finding and the
12 Board's policy position on this.

13 COMMITTEE MEMBER MULÉ: That's fine with me. And
14 I personally don't think that another life-cycle analysis
15 is going to change our policy -- current policies.

16 Thank you.

17 CHAIRPERSON BROWN: Go ahead.

18 COMMITTEE MEMBER LAIRD: Madam Chair, just one
19 additional comment in relation to something that Ms. Kuehl
20 said.

21 Those of us that were termed out as legislators
22 are allowed to lobby in our official capacity if it's with
23 a government agency within a year. The prohibition
24 doesn't. So if I'm testifying on this bill, I just wanted
25 everybody to announce that I'm not breaking the law.

1 COMMITTEE MEMBER KUEHL: No, right. It's my
2 understanding that when we testify in our official
3 position, that we need to be reflecting an official Board
4 position and not speaking as an individual, which might
5 remove us from that exemption.

6 So may be we want to --

7 COMMITTEE MEMBER LAIRD: Oh, there's nuances to
8 that.

9 COMMITTEE MEMBER KUEHL: Yeah.

10 Thanks.

11 CHAIRPERSON BROWN: Well, I have to say I believe
12 there is a consensus among the Board. I will associate
13 myself with Member Kuehl and especially Member Laird.

14 If the industry wants to go out and study and
15 study and study, have at it. You know, more information's
16 always, you know, more information.

17 I think the Board has spoken very clearly. The
18 Lawrence Livermore study we adopted last year. And we do
19 support re-refining of oil. And that is our policy
20 direction.

21 I think that in providing direction to staff, I
22 think that the Board -- there's clear consensus here that
23 the Board does not support staff involvement in the study.
24 I think for the benefit of those speakers and stakeholders
25 who have expressed interest in moving forward on a study,

1 the staff laid out guidelines that you can utilize in
2 ensuring that there is transparency and third-party peer
3 review, and we wish you the best of luck. But we feel
4 that the Board has spoken very clearly about the policy
5 direction we want to go, and staff involvement is not at
6 this point.

7 Any other -- okay.

8 We will take a break, and then we have an
9 afternoon session starting at 1:30.

10 (Thereupon the California Integrated Waste
11 Management Board, Strategic Policy Development
12 Committee meeting adjourned at 12:54 p.m.)
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2 I, JAMES F. PETERS, a Certified Shorthand
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